



Daily Report

Central Eurasia

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Grachev Favors Uniting CIS Armed Forces

*LD1804133394 Moscow INTERFAX in English
1026 GMT 18 Apr 94*

[Text] Russia's Defense Minister Pavel Grachev supports the idea of uniting the CIS armed forces. He believes that this question may be discussed at the end of the year.

He told Interfax that after the creation of joint armed forces one could then talk about the formation of a CIS defense union. "This is something far more significant than the collective security agreement," he said.

He noted that the military tackle not only tactical but also strategic problems. "Our strategic future lies in a joint armed forces and a defense union," said Grachev.

Shevardnadze Interviewed on CIS Summit Results

*PM1804191594 Moscow IZVESTIYA in Russian
19 Apr 94 p 2*

[Teymuraz Mamaladze report on interview with E. Shevardnadze in Moscow "prior to his departure for Tbilisi": "Shevardnadze Believes that It Is Impossible to Revive the Empire"]

[Text] Verbal political creativity as a result of a shortage of information indubitably promotes meetings behind closed doors. Behind the scenes at the Moscow CIS summit, the fireworks of political neologisms have been blazing.

Unsuccessful attempts to bring together the presidents of Azerbaijan and Armenia for the long-awaited direct dialogue, the loud echoes of the "Odessa incident" in the poorly veiled squabble between the Russian and Ukrainian ministers of defense, and certain leaders' clear dissatisfaction with the Russian-Belarusian [Belarusian] agreement, which became an accomplished fact without their knowledge, provided grounds for one high-ranking figure to put into circulation a new name for the CIS—"the enmity of independent states." He did not get any applause, however.

According to sources close to the delegations of the Commonwealth states, the atmosphere at the Moscow meeting differed in many ways from the previous ones—for the better. Everything went without a hitch, they reported, if you did not count several critical utterances about some of the proposed documents. But looking at the content side of the meeting—and this is naturally the main side—then, according to common opinion, the CIS has made a significant step toward becoming a Commonwealth of Independent States in reality.

"Is this true?" I asked Georgian head of state E. Shevardnadze before he flew back to Tbilisi.

"Our meeting in Moscow," he answered, "has undoubtedly revealed an increasingly deepening trend toward the formation of new integrational ties between the independent states within the framework of the Commonwealth,

accompanied by strict consideration of and respect for their national and state interests. In this context, I would mention the entire package of economic documents and the Declaration on the Observance of Sovereignty, Territorial Integrity, and the Inviolability of the Borders of the Commonwealth States."

"In the prevailing historical circumstances," E. Shevardnadze stressed, "the CIS is a necessity. Its flag is in no way reminiscent of the state symbols of the Soviet Union, nor is the Council of Heads of State reminiscent of the Politburo, or, as the Russian president expressed himself, some kind of enterprise board with an all-powerful, harsh director in charge. It must be borne in mind that we adopt all decisions by consensus, without any kind of pressure. As for contradictions, then these have appeared in the past and they will appear in the future. The main thing is what methods will be used to resolve them. According to my observations, Yeltsin does not use them to confirm Russia in the role of that 'director.' And to speak of any revival of the empire in the current conditions is simply frivolous.

"The main problem of the Commonwealth and its present and future," the Georgian leader believes, "is its present unpredictability, which in many respects stems from the political instability in a number of Commonwealth countries, not least in Russia, and also from persistent conflicts and friction in interstate relations. Analogies with the European Union end here: Its participants have also voluntarily given up part of their sovereignty. A powerful strengthening force is in operation in the European Union—trust. The quicker this component is implanted in our procedures, the higher the international authority and prestige of the Commonwealth will be.

"The leaders of the states have agreed that the CIS should strive for international recognition, and this, apart from the appropriate status, also means respect for the Commonwealth as a real factor of peace and security. The CIS will only survive as an internationally recognized organization guided in its activity by modern norms of interstate relations."

Accent Placed on Improving Conciliation Mechanisms

*PM1804084394 Moscow IZVESTIYA in Russian
16 Apr 94 pp 1-2*

[Vasiliy Kononenko report: "CIS: Politics Continues To Impede Integration"]

[Text] The CIS is demanding fundamental reforms, since it has still not proved possible to lay down common "ground rules." But politics is impeding economics, and that is why the principle chosen has been that there should be no abrupt moves and that an attempt should be made to improve the mechanisms for cooperating and resolving any disputes that arise. That was the main gist of the Council of Heads of State and Government session held in Moscow 15 April.

While the heads of state were meeting behind closed doors at the Kremlin to sort out their political differences, the

premiers met at the President Hotel to discuss primarily economic problems. Key among these are the formation of the structures of an economic alliance and the provision of the legal conditions for its functioning. In all there were around 30 points on this CIS leaders' "summit" agenda. But this impressive package of documents should not serve as a screen to hide the acute contradictions between Commonwealth members. These are rooted in the continuing problem of the redistribution of property and the fear on the part of certain leaders of being bound fast to the Commonwealth by means of compulsory decisions.

The most noteworthy point in this respect is the conflict over the division of the Black Sea Fleet and the problems relating to the creation of a single economic area. The latest conflict in Odessa over the hydrographic vessel Cheleken, and the Ukrainian assault troops' strong-arm actions against Russian servicemen show that there are as yet no forcefully effective mechanisms for resolving disputes in the CIS and that politics prevails over economic expediency. The previous day the Russian and Ukrainian foreign ministers had talks on this issue, but did not reach agreement. Admittedly, A. Zlenko told IZVESTIYA's correspondent that "there is hope of neutralizing this source of tension. It may prove possible in Moscow to eradicate the nervousness in relations between Ukraine and Russia [no closing quotation marks as published]. According to unverified information, there should be a meeting in the Kremlin between B. Yeltsin and L. Kravchuk outside the framework of the general heads of state meeting. In turn, Russian Defense Minister P. Grachev also had talks with his Ukrainian colleague, but the result was the same. "It has not yet proved possible to reach an understanding on this issue," the minister said. "I see this as being a seizure by force. The fact that the subunits that were attacked were small in number and isolated on Ukrainian territory was exploited. I made a resolute protest about this. I am hoping for a meeting between the two presidents with the defense ministers' participation."

As for the key problem (the single economic area), there too the principle is clear—to cooperate but not to be compelled. On the eve of the opening of the summit it was decided at the insistence of the Turkmen delegation and, it is claimed, certain other countries to abandon the plan already agreed at expert level to set up an Interstate Economic Committee (IEC) and to create an Economic Community Commission. The difference is obvious—the IEC presupposes the formation of a common trading regime binding on all, antimonopoly and customs regulation, the convergence of corresponding legislation, and the free movement of labor. The commission—and it is being set up under the existing Coordination and Consultation Committee, is seen as an expert working organ which can only recommend similar decisions. Although V. Mashchits, leader of the State Committee for Economic Cooperation with the Commonwealth Member States, believes that the Heads of State Council or the Heads of Government Council could, if necessary, vest the commission with the right to make supranational decisions on specific issues.

A more hopeful point in the relations among the CIS countries is the agreement on the free customs zone. This document presupposes the gradual abolition of duties, taxes, levies, and quantitative restrictions on trade, the creation of a system of mutual accounting and payments for trade operations, and other things.

The sides reserve the right to implement state regulation only on issues relating to the arms trade or the trade in precious metals and stones or fissionable materials. The free customs zone agreement is seen as a transitional stage on the road to the creation of a customs union.

At the time this newspaper was being put to bed the heads of government had signed all the documents that had been prepared. They supported proposals to replenish the peacekeeping troops in Tajikistan and to provide material support to Kirghizia [Kyrgyzstan] to remedy the consequences of its natural disaster, and they also heard information about the work of a group which has been studying the question of the creation by states in the Transcaucasus and Central Asia of formations to safeguard their borders.

ITAR-TASS Carries Press Review for 19 Apr

LD1904071594 Moscow ITAR-TASS in English 0513
GMT 19 Apr 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow April 19 TASS—By ITAR-TASS—ROSSIYSKIYE VESTI carries an interview with Albanian Foreign Minister Alfred Serreci who dwells on the role of Russia in the Balkans.

"Russia's presence in the Balkans is a historical fact, and her current involvement within the context of the development of events in the former Yugoslavia is realistic... Any contribution, including that by Russia, and aimed at establishing peace should be welcomed," Serreci said.

NEZAVISIMAYA GAZETA on Russo-Ukrainian friction over the Black Sea Fleet:

"Following last year's October events, the correlation of forces among the political and military elites of Russia has long become evident.

"Judging by the latest developments, the Ukrainian generals also consolidate their positions. Do the accords reached suit the military and can they hinder their enactment? This is a rhetorical question after a series of events concerning Russia and ex-Soviet republics".

KRASNAYA ZVEZDA on the Black Sea Fleet:

"The striving of the Ukrainian side individually to divide the Black Sea Fleet and thereby write it off as a strategic operational force protecting the southern flanks of both Russia and Ukraine, has long become an evil tradition.

"Agreements which were signed by the leaders of the two countries in Yalta, Dagomys, Zavidovo and Massandra and which were intended to relieve the accumulated tension, damped the ardour of the Ukrainian military

only for a short while, for they conceived an intention to have a fleet of their own, even if a small one, resultant of withdrawal of property from Russia.

"That the Black Sea Fleet together with its entire infrastructure is really Russian is evidenced not only by the Massandra protocol but also by the exclusively Russian financing of it since September last year".

NEZAVISIMAYA GAZETA on Russo-Azerbaijani relations:

"Everything seems to indicate that that the backstage talks between Azerbaijani leader Geydar Aliyev and Russian officials did not lead to progress in discussing the possibility of a Russian military presence in Azerbaijan.

"Moscow still failed to persuade Aliyev into allowing to deploy if only one Russian military base in Azerbaijan".

NOVAYA GAZETA runs an interview with Tajik opposition leader Khoji Akbar Turajonzoda, who is currently in Moscow. He said: "Solving the Tajik issue is the key to a settlement of the conflict situation in Central Asia. This means thousands upon thousands of human lives.

"We recognise the great role of Russia in resolving the issue and are confident that her geopolitical interests are aimed at restoring peace and stability in the region. The opposition, and I must say that this means a large proportion of the population of Tajikistan, wishes to have good-neighbourly relations with Russia".

NEZAVISIMAYA GAZETA on the opposition's regaining its strength:

"Following last year's October defeat, the opposition slowly but steadily regains its former strength. According to information available to the newspaper, the second phase of the 1st congress of the Union of Officers took place in Moscow on April 16 in an atmosphere of semi-secrecy. The congress was attended by 184 delegates, representing nine republics and 21 regions of Russia.

"It seems that the death of 10 members of the Officers' Union during the defence of the parliament building in Moscow during the October events, a brief ban imposed on the Officers' Union, and the five-month stay of its leader Stanislav Terekhov (who was re-elected the chairman of the Officers' Union now), in the Lefortovo investigative isolation ward, have only added popularity to this officers' patriotic organisation which has now become one of the main centres of the unification of opposition forces".

KRASNAYA ZVEZDA carries an article by Colonel-General Mikhail Kolesnikov, chief of the general staff of the Russian Armed Forces, who pointed out: "Our principled line is to consolidate the Conventional Forces in Europe treaty and maintain its vitality. A certain adjustment of its obsolete provisions is necessary for that..."

"Already now we need an utter clarity in order to choose an optimum configuration of Russia's defence potential and to prepare an appropriate infrastructure for the accommodation of troops. Depending on that are both the

course of military reform, the pace of withdrawal of Russian troops to national territory, and other major aspects of the activities and development of the Russian Armed Forces."

ROSSIYSKIYE VESTI runs an interview with Aleksandr Livshits, leader of a group of presidential experts.

Livshits is of the opinion that "Russia is now the only CIS state in which the population's incomes grew quicker than prices in the first quarter of 1994.

"Judging by absolute living standards, the position of people in Russia is on the whole better. In February 1994, by using the average monthly wage in Moscow, one could buy twice as much meat in Moscow as in Minsk and 32 times more than in Yerevan".

ROSSIYSKIYE VESTI raises the question as to whether Armenia is threatened with a social outburst.

"The state of affairs in the social sphere can be described without any exaggeration as disastrous, not just hard. Following the latest indexation, the average monthly pay of Yerevan resident is 300 drams. One kilogramme of butter costs 550 drams, one kg of cooked sausage—550 drams, sugar—150 drams, one litre of vegetable oil—280 drams. And this is so at a time when the main source of permanent income for 80 percent of the population is wage or pension".

PRAVDA carries an interview with Arkadiy Gukasyan, minister of foreign affairs of Nagorno-Karabakh, who pointed out: "There are several factors which explain the Karabakh phenomenon. The main thing is that we know what we fight for. We have nowhere to retreat. We have no other land. Every resident of Nagorno-Karabakh is aware that if he shows cowardice, the next day there would be neither his house nor family.

"We are confronted with Azerbaijanis who are forcibly brought to the frontline from Baku, Sumgait, and Kirovabad. They personally do not need Karabakh at all. They wait for an opportune moment to desert from the army. So, our successes should not be accounted for by Armenia's support".

RABOCHAYA TRIBUNA runs an interview with Mikhail Lapshin, chairman of the Agrarian Party of Russia. He said "the main thing is to stop attempts to tackle the most complex problems of the countryside by administrative methods so that some high-placed official would not sing in the heat of the moment an ill-considered directive... There are apprehensions on that score".

SOVETSKAYA ROSSIA carries an interview with Aman Tuleyev, member of the Federation Council, the upper house of the Russian parliament.

"Frankly speaking, the Yeltsin-Gaydar reforms have thrown us back in time to the days of feudal subsistence economy, not just 20-30 years backwards.

"Wages are paid to people in our country in kind by giving everything from pressing irons, shoes, fabrics, tobacco products and even meat to medicines and spare parts for motor vehicles."

Russia Seeks 'Serious' NATO Partnership

LD1804180894 Moscow *ITAR-TASS World Service in Russian* 1705 GMT 18 Apr 94

[By unidentified *ITAR-TASS* diplomatic correspondent]

[Text] Moscow, 18 Apr—Russia's position regarding partnership with NATO has not changed, but the agreement to this effect should have real substance. A serious partnership requires closer political coordination, Andrey Kozyrev said to journalists today.

The relations of true partnership should rule out situations where important measures are being taken without consulting Russia in areas where close cooperation is needed—as in, for example, looking for a solution to the Bosnia crisis, Kozyrev said. Moscow is interested in a serious agreement, stressed Kozyrev.

He also noted that all the sides involved will perhaps need some time to reflect on what it is that they want exactly. Russia intends to propose its own, really substantial draft agreement to NATO. We want a true, serious partnership, said the Russian foreign minister.

Duma's Yushenkov Backs Partnership for Peace

LD1804135594 Moscow *ITAR-TASS World Service in Russian* 1234 GMT 18 Apr 94

[By *ITAR-TASS* correspondent Pavel Kuznetsov]

[Text] Moscow, 18 Apr—If Russia does not join the Partnership for Peace program, the world could be returned to a cold war situation, in the view of Sergey Yushenkov, chairman of the Duma defense committee. He announced this at a news conference today in the lower chamber of the Federal Assembly. Sergey Yushenkov said he is surprised at the position of the Russian Federation's executive authority, "which is not trying to demonstrate the advantage of Russia joining the Partnership."

The Russian Federation president, defense minister, and foreign minister should immediately declare their intention to join the program, in spite of the latest events in former Yugoslavia, Sergey Yushenkov asserted. At the same time, he stressed, those who "made the decision to carry out the bombing near Gorazde should admit their error."

The Duma committee chairman noted that a new situation has come about in relations between the West and Russia following the bombing of Serb positions. The Russian foreign minister's refusal to sign the document was the result of this. "The air strikes," Sergey Yushenkov stressed, "mark the end of the 'romantic' phase of our relationship. Further divergence of our views, even including a break-up, is now possible. Or else our relations can develop on a completely pragmatic basis, in which the real interests of the sides will be heeded."

Speaking in favor of joining Partnership for Peace, the Duma committee chairman stressed that in his view this

document does not contain a single initiative which has not already been proposed, in one form or another, by the leadership of the USSR and the Russian Federation.

Referring to the main "trump card" held by Russian opponents of the Partnership—the claim that the document does not reflect "the Russian Federation's special status as a great nuclear power"—Sergey Yushenkov noted that only Russia itself, by taking part in the program, can determine this status. "If Russia really does want to maintain this status, it has more interest in signing this document than other countries," he stressed.

Sergey Yushenkov believes that membership of the Partnership does not in any way mean that the Russian Federation will join NATO in due course. In his view, the program is "just one of the steps toward the building of a new system of universal security." The program itself, he noted, is "merely a protocol of intent—the attitude which Russia does eventually take during possible involvement in Partnership-sponsored measures is another matter."

Shumeyko Opposes Haste in Joining NATO's PFP

LD1904111294 Moscow *ITAR-TASS World Service in Russian* 1027 GMT 19 Apr 94

[By *ITAR-TASS* parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow, 19 Apr—Russia "should not hasten to join NATO's Partnership for Peace [PFP] program," Federation Council Chairman Vladimir Shumeyko told reporters today.

The main thing in joining is "the reciprocity of partnership and a clear mechanism for implementing decisions," he said, stressing that the recent air strikes against the Bosnian Serbs, "when the decision was made not even by NATO but by the U.S. command, showed that a mechanism of this kind does not exist even at the level of the United Nations and the Security Council."

Shumeyko drew particular attention to the need for a mechanism "that will emphasize that all states in the partnership are absolutely equal."

"Further developments will show how the peace process will evolve," Vladimir Shumeyko said.

Under the Russian Constitution, it is the Federation Council that is responsible for the use of troops outside the country.

Exercise With U.S., NATO Moves Cause 'Alarm'

PM1904092194 Moscow *SELSKAYA ZHIZN* in Russian 19 Apr 94 p 1

[Anatoliy Slobozhanyuk "Military Observer's Notes": "NATO Is Coming To Teach Us"]

[Text] These two reports, which created serious alarm among our readers, came close together. First the press provided information on the upcoming joint exercise by the U.S. 3d Infantry Division and the Russian 27th Motorized Rifle Division for the purpose of rehearsing cooperation in peacemaking actions. A little later we learned of the bombing strikes by U.S. peacemakers in the south of Bosnia. The southern Urals and southern Bosnia are separated by many thousands of kilometers, but the upcoming event and the past one are tied up in a tight and intricate logical knot.

Our own correspondent Ivan Gavrilenko reports that the news of the military maneuvers on the Totstkiy range elicited a sharply negative reaction from the peasants of Orenburg Oblast, which was singed by the flash from the first atomic explosion conducted in the Soviet Union.

Until recently the Totstkiy range, where the exercise is planned, was top-secret. This region also has other military installations which are of undoubted interest to foreign specialists, and it has to be thought that the Pentagon will certainly not be sending new recruits to Russia.

We have managed to ascertain from the Ground Forces Main Staff that the measure is being conducted in accordance with the plan of contacts between the armed forces of Russia and the United States. No more than 250 servicemen will be involved on each side. The Americans will land up to 50 units of wheeled equipment at the Totstkiy Training Center, where they have already been to reconnoiter. Joint actions will be rehearsed as part of a peacemaking force from 6 through 14 July.

A detail of some importance: In the opinion of the military, this measure will not require of us any unplanned expenditure, since one of the 27th Division's regiments is due to hold a planned exercise at precisely that time. But the Americans will have to fork out \$2 million. They will pay our military to operate engineer equipment and for fuel, lubricants, water, food, and all the services provided. So there is even an opportunity to earn a little currency.

In general, the Russian military leaders have, at first sight, undertaken a good and profitable thing. It is undoubtedly necessary to strengthen and develop contacts between the two countries' armies. But how are we to avoid the importunate questions of fellow citizens? Why do the Americans need to send over their aircraft together with servicemen and hardware from the German city of Wuerzburg, where the 3d Infantry Division is stationed, right over to the Urals, deep inside Russia? Would it not be simpler to hold exercises of a very simple nature at Khodynskoye Pole, for example, or somewhere in Moscow Oblast?

Interest is also aroused by the NATO division's highly original service record. It performed "peacemaking" combat operations in Korea and Iraq. Where will future itineraries take it? To the former Yugoslavia, maybe. General M. Rose, commander of the UN troops, needs

just such decisive combined units. The whole world shuddered at the blasts of the bombs dropped by NATO aircraft in southern Bosnia, but the general is insisting on new strikes. The U.S. President has pronounced a sentence which sounded roughly as follows: We work closely with Gen. Rose, and I believe that his aggressiveness is a good thing.

Here are peacemakers for you!

Our newspaper has already written about the political aspects of the recent NATO action. Let us touch on the military aspects. We are seeing for the umpteenth time that NATO has very mediocre airmen in its ranks. Obviously embarrassed, a White House official spokesperson recently declared on television that one of the U.S. pilots tried to drop four bombs on the Serbs, but succeeded in releasing just three, and two of them did not explode. It also is not entirely clear what was destroyed as a result of the bombing strikes—a tank or a medical vehicle. It is perfectly clear that peaceful people died as a result of those raids.

It is worth recalling that U.S. pilots were also distinguished by similar results in Iraq three years ago: They aimed at military targets but hit peaceful houses and even their own positions. Incidentally, they have also distinguished themselves during these days: They downed two of their own helicopters with accurate rocket fire and dispatched 26 officers to the next world.

The punitive actions undertaken by the United Nations without coordination with Russia have sharply exacerbated the situation and galvanized combat operations by the opposing sides. But maybe the politicians will realize that neither bombs nor missiles can bring the Serbs to their knees. Only a peaceful way out of the crisis will be productive.

Military Space Forces Delegation Visits U.S.

LD1804212394 Moscow Mayak Radio Network in Russian 1830 GMT 18 Apr 94

[From the "Slavyanka" program of the Russian Defense Ministry]

[Text] A delegation of the Russian military space forces led by Colonel General Vladimir Ivanov, the commander of the military space forces, has completed its visit to the United States of America. The Russian delegation paid the Transatlantic visit at the invitation of General Charles Horner, the commander of the air force space command of the U.S. Armed Forces.

The press center of the Russian military space forces has reported that prospects for cooperation were discussed during the course of talks with American colleagues, including, among other things, a more efficient use of space navigation systems—the Russian Glonass and the American NavStar.

Kozyrev Call For Comprehensive Bosnia Settlement

LD1804210794 Moscow INTERFAX in English 1803 GMT 18 Apr 94

[Text] Russian Foreign Minister Andrey Kozyrev emphasized the necessity for a comprehensive settlement in Bosnia. "We cannot keep going from crisis to crisis," he pointed out at a meeting with journalists today.

"We knew even earlier that Serb words and actions did not always mean the same. Within the context of the present situation it is necessary to take steps to diminish rather than increase this difference," Kozyrev remarked when commenting on the developments in Bosnia. He said contradictory information was coming from there which hampered the decision-making.

Kozyrev admitted that Russia had influence on Serbs. However, he stressed pressure must also be exerted on other parties, including the Moslems.

Kozyrev suggested that Moslems had considered the NATO air attacks on the Serb positions as a *carte blanche*. "They continue to provoke Serbs and show no interest in an agreement on settlement of the conflict," Kozyrev said.

Kozyrev believes that the situation must not be simplified and it was not reasonable to mark everybody as "good and bad guys" as in a Western. "It is not a Western but an ethnically-colored civil war with no right no wrong, no angels no devils," he said.

Kozyrev called on Russia's Western partners to exercise pressure on Moslems in order to conclude a peace agreement. Kozyrev confirmed that the Russian position remained the same stating that any means could be used for defense of the peacekeeping forces, including the military ones.

"The problem is that there has been no such need in Gorazde. The further confrontation between Moslems and Serbs and the blockade of a part of the peacekeeping forces in Bosnia and Herzegovina were the consequences, not the reason for the NATO air attacks which had not been coordinated with Russia although their results could have been predicted," Kozyrev said.

Kozyrev believes that now there are three possible ways of developing the situation. "The first one is to lose patience and to resort to air attacks. This will result in a full-scale war as occurred in Vietnam and Afghanistan. However, in this case, infantry forces and an expedition corps must be brought to Bosnia and Herzegovina with an order to kill if necessary. Otherwise, this will remain vain words. The second option is to leave Bosnia and Herzegovina completely as it now happens in Somalia. The third option, the final one, is to try to negotiate and to proceed to a peace agreement on settlement of the conflict," Kozyrev clarified.

He said he supported the third option. Kozyrev stressed that Serbs must be sure that their positive steps would be appreciated. "These steps must be conditioned with lessening and later with lifting of the sanctions against Belgrade," he pointed out.

Kozyrev spoke in favor of giving a real sense to the NATO program Partnership for Peace.

"They propose us just a flirt but we want a firm marriage in order to prevent such situations when nobody consults us while making important decisions, as occurred in Bosnia and Herzegovina," Kozyrev said.

Asked by Interfax whether it was certain that NATO would not deal a third strike against the Serbs without consulting Russia, Kozyrev said it was not reasonable to anticipate the developments.

Warns Serbs Not To Test World's Patience

LD1904111394 Moscow ITAR-TASS World Service in Russian 1035 GMT 19 Apr 94

[By ITAR-TASS diplomatic correspondents Sergey Babkin and Yuriy Tyssovskiy]

[Text] Moscow, 19 Apr—"I would most resolutely recommend to the Serbian side not to test the patience of the world community," Russian Foreign Minister Andrey Kozyrev said today. He was speaking to journalists at a news conference after his talks with Yasir 'Arafat, chairman of the PLO Executive Committee and president of the Palestinian State.

It goes without saying, the Russian foreign policy chief said, that we call for restraint from all sides in the conflict.

Kozyrev spoke highly of the initiative by French Foreign Minister Alain Juppe, with whom he had a telephone conversation this morning. A. Juppe has proposed that Russia, the United States, the European Union, and the United Nations work out, once and for all, a united stand on the conflict in Bosnia. Andrey Kozyrev called this proposal "highly promising and timely." We have long been striving for this, he said, and we hope that under the present critical circumstances our American friends and partners will treat this initiative seriously. Ultimately, this is the minimum we have to achieve—to have a united and well-considered political stand. This could form the basis for the formulation of demands to the warring sides, and, at the same time, for initiatives that would open up opportunities for them, specifically, the lifting of sanctions as the demands of the world community are met.

Churkin Dismisses Rumor of Rift With Kozyrev

LD1904120894 Moscow Radio Rossii Network in Russian 1100 GMT 19 Apr 93

[Text] [Deputy Foreign Minister] Vitaliy Churkin has dismissed rumors of an alleged rift between him and [Foreign Minister] Andrey Kozyrev about a solution of

the Yugoslav conflict. However, Churkin said he has witnessed the events in the Balkans and has something to say about it. On his return to Moscow on Monday, Churkin sharply criticized the Bosnian Serbs. He told journalists that Bosnian Serbs are using Russian policy as a shield.

Churkin Says Gorazde Fallen, Situation Out of Control

LD1804201394 Moscow 2x2 Television in Russian 1940 GMT 18 Apr 94

[Text] The defense of Gorazde has fallen, and I believe that the situation is out of control, said Vitaliy Churkin, the Russian president's special envoy, today at Zagreb Airport before returning to Moscow. He believes that at present the most important thing for the Serbs is the lifting of international sanctions against them. All they have to do is to stop attacking Gorazde. However, the Serbs are not prepared to do it, he said.

Charges Serbs Not Fulfilling Commitments

LD1804144694 Moscow INTERFAX in English 1318 GMT 18 Apr 94

[Text] Interfax has been informed by reliable sources in Russia's Foreign Ministry that the Russian president's special envoy Vitaliy Churkin is expected to return to Moscow from the troubled areas of former Yugoslavia within the next few hours.

The sources said that the situation in Bosnia was now critical. "There are only two options—peace talks and an end to hostilities or a gamble on force and unending hostilities," one Russian diplomat said.

Another ministry official told Interfax that "much, if not everything, will depend on the position of the Bosnian and Belgrade Serbs." "Regrettably, it is so far clear only that the Serbs are not fulfilling their commitments or putting words into action," he stressed.

Claims Serbs Using Russians as 'Shield'

LD1804205594 Moscow INTERFAX in English 1803 GMT 18 Apr 94

[Text] "Russia must stop any conversations with Bosnian Serbs. The time for conversations is over. Bosnian Serbs must realize that Russia embodies a great power and not a banana republic," the Russian president's Special Envoy, Deputy Russian Foreign Minister Vitaliy Churkin told journalists today at the airport on his return from a nine-day visit to former Yugoslavia.

Churkin considered the situation in Bosnia as still complex. "If things do not improve, there will be no way to discuss lifting of international sanctions against Serbia," Churkin stressed.

He said the Russian policy in ex-Yugoslavia was a "policy of a great power." "Relations with the Serbs can be expressed in a simple formula: when Serbs were stating that the whole world was against them we agreed

under the condition that they would follow our instructions. Instead of this, Bosnian Serbs use Russian policy as a shield," Churkin emphasized.

In his opinion, during the recent crisis in Gorazde the Serbs should have stopped their offensive on the city. "There were possibilities to prevent the aggravation of the situation. Originally, Serbs offered to send a group of UN observers to their positions near Gorazde. When the Russian side got in touch with UN officials and agreed on the issue, the offer had already been rejected. As a result, the grave crisis in Bosnia aggravated even further," Churkin said.

He said that the Bosnian Serbs repeatedly gave assurances about the end of fighting near Gorazde. "Unfortunately, the meetings between the Serbs and the UN representatives mediated by Russia turned out to be fruitless. The Serbs did not show any readiness or sincere willingness to agree. They were just wasting time," Churkin said.

Churkin expressed confidence that "if the Bosnian Serbs continue their offensive on Gorazde and fire at least one round towards the city, there will be a huge crisis which will bring the Serb people into the catastrophe."

In Churkin's opinion, "a small group of Bosnian Serbs have become mad on war."

"Russia should decide whether it should allow a group of extremists to use the policy of Russia for achieving their goals. Our response is simple—never. If somebody tries to play with Russia's policy, Russia will respond as can be expected from a great power," Churkin said.

Moscow To Send 600 Paratroopers to Balkans

PM1804165094 Moscow ITAR-TASS in English 1515 GMT 18 Apr 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow April 18 TASS—A group of 200 Russian paratroopers will leave Ryazan on a peacemaking mission to the Balkans on Tuesday.

They will replace their colleagues who will return home after the end of the term of service in the U.N. peace-keeping contingent in the former Yugoslavia.

They are the first group of a contingent of 600 soldiers who will be flown to the region, Igor Kashin, spokesman for the Russian airborne troops, said on Monday.

He said 400 of them will be deployed in Serb Krajina and the rest in Sarajevo.

All of them are volunteers drawn on a contract basis for six months.

Peacekeepers Fly to Former Yugoslavia*LD1904123594 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 19 Apr 94*

[From the "Novosti" newscast]

[Text] Russia redeployed 153 paratroopers to Belgrade today to conduct rotation among the personnel of the UN collective peacekeeping forces. From there, the Russian soldiers are to be transported to the site of the 1st Russian Battalion, deployed in the town of Klisa in Serb Krajina. INTERFAX has learned this from Yevgeniy Podkolzin, commander of the Russian Air Force [title as heard]

Yevgeniy Podkolzin also said that on 24 and 29 April two more aircraft with Russian paratroopers and one with a space communication station will be sent to former Yugoslavia. In all, about 600 members of the Russian contingent in the UN peacekeeping forces are to be replaced by the end of the month.

Russia Reaping Fruits of Past Mistakes on Bosnia*PM1804105594 Moscow PRAVDA in Russian 16 Apr 94 p 3*

[Vladimir Peresada report under the rubric "The New World Order in Action": "The Bosnian 'Flop'"]

[Text] Brussels, 15 Apr—Is the North Atlantic alliance headquarters here in Brussels taking into account the position of Russia, which reacted highly negatively to the NATO air strikes against "Serb targets" in the Gorazde region? It goes without saying that it is. The only question is—how.

These days I am in constant telephone contact with the alliance's press service, which, in its turn, sends out daily reports on Bosnia by fax or by express mail. Here, for example, is one of the latest reports containing information on Wednesday's North Atlantic Council session on this subject. It took place after several demarches by Moscow and the statement by President Yeltsin, who was unhappy that the West had made the decision to bomb the Serb positions without consulting with Russia. There was also a statement from the Russian Foreign Ministry, which warned against any new NATO ultimatum to the Bosnian Serbs, and the session of the State Duma which condemned NATO's raids. What decisions were reached in Brussels against that backdrop?

As for new ultimatums—nothing was decided. None of the 16 member countries even raised that question either with regard to Gorazde or to other regions declared "safe areas" by the United Nations. Obviously there is no need for that because, unlike the situation around Sarajevo, the mechanism for the use of force in the Gorazde region could be worked out without prior threats.

Now about the raids themselves. On the eve of Wednesday's North Atlantic Council session I talked about this with several NATO diplomats. Some shrug their shoulders in incomprehension, others spread their hands in

equal bewilderment, while others answer the question with a question: "What do you want? After all, the legal basis for this exists and Moscow itself took part in its creation."

In view of Russia's interests in the Balkans one can and undoubtedly should be incensed at NATO's bombing raids and condemn them, but that should be done now, before it is too late. In the recent past those who are responsible for Russian foreign policy had somewhat different priorities in the Bosnian crisis and in relations with the West in general than they do now. Is it not clear that it is largely due to those priorities that NATO, without abandoning strong-arm decisions in principle, has managed not only to create for itself the image of a "Balkan peacemaker" but also to ensure for itself an international legal basis for practical "assistance in establishing peace" in the former Yugoslavia?

That is how NATO regards UN Security Council Resolution 836 adopted on 4 June 1993 in connection with the raids in the Gorazde region. Russia voted for it. A mistake? Moscow prefers not to talk openly about that right now, but you can judge for yourselves. The NATO people, however, with such a "legal backing" behind them, are saying clearly: "We are acting on the basis of the Security Council decision in giving 'close air support' to the UN forces in Bosnia when danger threatens them. These actions are being carried out with the sanction of the UN Secretary General's representative and the UN command in Bosnia. We are merely carrying out orders."

In such a situation what need is there for consultations with Russia?

Duma's Rybkin Meets Finnish Leaders in Helsinki**Meets Finnish President***LD1804163494 Moscow ITAR-TASS World Service in Russian 1429 GMT 18 Apr 94*

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Helsinki, 18 Apr—Ivan Rybkin, chairman of the State Duma who is on an official visit to Finland at the head of a Russian parliamentary delegation, has today met with Finnish President Martti Ahtisaari. Their one-to-one conversation took place at the president's residence.

According to well-informed sources within the Russian delegation, questions concerning bilateral relations between Russia and Finland, as well as measures for improving stability and security in Europe were discussed at the meeting.

Discusses Bosnia With Foreign Minister

LD1804164494 Moscow ITAR-TASS World Service in Russian 1039 GMT 18 Apr 94

[By ITAR-TASS correspondents Tamara Zamyatina and Vladimir Mostovets]

[Text] Helsinki, 18 Apr—Russo-Finnish relations, prospects for Russia's entry in the Council of Europe, and settlement of the Bosnia-Herzegovina conflict were topical at today's meeting between Russia's State Duma Chairman Ivan Rybkin and Finnish Foreign Minister Heikki Haavisto. Ivan Rybkin is visiting Finland at the head of a Russian parliamentary delegation.

During the discussion the two sides expressed concern over mounting tensions in Bosnia and voiced their common viewpoint view that the conflict in former Yugoslavia must be settled through negotiations and not through the use of force. Ivan Rybkin stressed that any use of military force can only be permitted with UN approval and following mandatory consultations with all permanent members of the UN Security Council.

While discussing Russia's entry into the Council of Europe, the State Duma chairman and the Finnish foreign minister noted that this step would be in the interests of the entire region, since Russia cannot be sidelined in European integration process. Heikki Haavisto reaffirmed Finland's commitment to contribute toward Russia's speedy acceptance into the Council of Europe.

Urges Peaceful Solution in Bosnia

LD1804195794 Moscow ITAR-TASS in English 1901 GMT 18 Apr 94

[By ITAR-TASS correspondents Tamara Zamyatina and Vladimir Mostovets]

[Text] Helsinki April 18 TASS—Russian State Duma Chairman Ivan Rybkin called on Bosnian Serbs to show restraint and support the process of political settlement in Bosnia-Herzegovina.

Speaking at a news conference in Helsinki on Monday, Rybkin said that owing to Russia's efforts a safety belt is now being established around Gorazde, similar to that around Sarajevo. He pointed out that "Serbia is a bare nerve of Europe," adding that for the first time since 1945 this state which has never joined any bloc is bombed.

He assured the journalists that the "State Duma will take the necessary measures to facilitate a peaceful settlement of the Bosnian crisis."

Asked about the prospects for Russia's joining NATO's Partnership for Peace programme, Rybkin linked it to NATO air strikes on Bosnian Serb positions. In his view, the participation in the NATO programme presupposes some sort of "family relations." "But in a good family every member tells what he intends to do," he said.

"We are for partnership for peace, but we do not want to see a situation when one partner acts without consulting the other in this partnership."

Summing up the results of his visit to Finland, Rybkin said that his talks with Finnish leaders, industrialists, farmers and public figures were useful and fruitful. "We say in Russia: an old friend is worth two new ones. Three days of hard work and very good and intensive meetings have proved the validity of this saying," he said.

During the talks the sides discussed a wide range of issues connected with the expansion of relations between Russia and Finland in all spheres, including their interaction in the Conference on Security and Cooperation in Europe, the Nordic Council, the Council of Europe, the European bank for Reconstruction and Development and other international and regional organisations.

Speaking about the prospects for Russia's accession to the Council of Europe, Rybkin noted that the process of adopting a decision on this issue has obviously been dragging on for too long. Some connect this with the withdrawal of Russian troops from the Baltic republics. Russia is interested in the soonest possible return of its soldiers no less than any other concerned state. But the talks with some Baltic states proceed no exactly in the way Russia would like them: to go, he continued.

Rybkin said he has requested Finnish leaders to mediate the process in order to find a solution to the problem.

PLO Chairman Yasir 'Arafat Arrives in Moscow

LD1804181294 Moscow ITAR-TASS World Service in Russian 1718 GMT 18 Apr 94

[By ITAR-TASS diplomatic correspondents Sergey Babkin and Yuri Tyssovski]

[Excerpt] Moscow, 18 Apr—Yasir 'Arafat, PLO Executive Committee Chairman and president of the State of Palestine, arrived this evening in the Russian capital on a working visit. The high-ranking guest was welcomed at the Vnukovo-2 Airport by Oleg Soskovets, first deputy chairman of the Russian Federation Government. [passage omitted]

Discusses Russia's Role in Middle East

LD1804132994 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 18 Apr 94

[From the "Novosti" newscast]

[Text] PLO Executive Committee Chairman Yasir 'Arafat begins an official visit to Moscow on 19 April. On the eve of his visit, Yasir 'Arafat gave an exclusive interview to a correspondent for our information agency at the PLO headquarters in Tunis:

[Begin 'Arafat recording in Arabic with superimposed Russian translation] Russia has played an active role in the Near East peace process ever since it started. The Russian foreign minister and the U.S. secretary of state

stood alongside myself and the Israeli prime minister when the Washington agreement on the principles of a settlement was signed.

It was precisely thanks to the recent increase in Russian diplomatic activity, Yasir 'Arafat continues, that certain difficulties which arose in the negotiating process were overcome, allowing it to resume in Cairo. The peace talks are being held not just in the interests of the Palestinians or the Israelis. They are in the interests of all mankind. Realizing this, and undertaking efforts in this direction, we have achieved those results which only became possible because of the peace talks. [end recording]

[Correspondent] To conclude his short interview, Yasir 'Arafat noted that there has been a durable and friendly relationship between Palestinians and Russia for many years now. But in looking ahead he would like to point out that in future there could be new developments in this relationship because of the possibility of cooperation in the repair of infrastructure in the Palestinian autonomous areas, the training of personnel, and other spheres.

He takes this opportunity to pass on the warmest and most sincere greetings to the peoples of Russia.

Says Russian Mediation 'Highly Desirable'

PM1804185394 Moscow IZVESTIYA in Russian 19 Apr 94 p 3

[Report by Ivan Menshikov of RIA-NOVOSTI for IZVESTIYA, on interview with PLO Leader Yasir 'Arafat in Tunis on 13 April: "'Arafat Grateful to Yeltsin for Invitation, But Not Really Counting on Successful Mediation by Moscow"]

[Text] Tunis—Yasir 'Arafat is certainly not experiencing the best days of his life as he prepares for his trip to Moscow, where he first went as a student back in 1955.

Those close to him say that, even during the days of defending Beirut against Israeli troops or during the siege of the Lebanese city of Tripoli by the Syrian Army, the Palestinian leader was never so worried as he is today.

He has staked his all by agreeing to separate peace with Israel 13 September 1993. But after nine months of persistent talks, the results are very modest: Not a single one of the interim agreements has been observed. On 13 April 'Arafat was to have already installed himself, together with his administration, in Jericho, and the Israeli troops were to have left. Instead, I am talking to him in his same old modest office in Tunis in which everything was ready for the move three months ago.

"Despite the fact that we are firmly maintaining our commitment to the peace process," 'Arafat stressed, "we are forced to point out the attempts by the Israeli side to delay and thwart the schedule for the implementation of agreements we have already reached."

The Israeli Government's "free interpretation" of the signed agreements, whose quintessence is reflected by what Prime Minister Yitzhaq Rabin said— "For us there are no sacred deadlines"—is putting the Palestinians out of countenance.

It is this attitude by the Israeli Government that has allowed extremists on both sides to organize themselves and step up their joint offensive against the peace process, 'Arafat believes.

That is possibly precisely why the Palestinian leader did not look too enthusiastic about the upcoming talks in Moscow. When asked whether he believes in the success of Russian endeavors to mediate between them and Premier Rabin, who is nowadays also preparing for his first official trip to Moscow, he answered laconically: "That would be highly desirable."

"The first Soviet-Palestinian political contacts were made in 1968 when Jamal 'Abd-al-Nasir took me to Moscow and presented me there," 'Arafat explained, smiling for the first time during the almost one-hour long interview, given on the eve of his trip to Moscow. "We were received by Brezhnev straight away."

'Arafat kept silent about what the Kremlin leaders discussed with the Palestinian nationalist-capitalist, but the main thing is obvious: The PLO received political and military support. But that is not the most surprising thing, nor is it how he managed to get on with all the general secretaries from Brezhnev to Gorbachev; the most surprising thing is how he managed to maintain good relations with Moscow even after August 1991. In the first few months after the failure of the putsch, he was counted among the "sworn enemies" of the new Russian democracy, together with Saddam Husayn, Kim Il-song, and Mu'ammar al-Qadhafi, whereas today Russian Foreign Minister Andrey Kozyrev flies to Tunis in order to give him an official invitation from Russian President Boris Yeltsin to visit Russia. Furthermore, the Russian minister is praising the "courage and political insight of the chairman of the PLO Executive Committee."

'Arafat is a realist and a pragmatist, who has studied the political machinations of the Near East thoroughly. He understands perfectly well that everyone can end up in a difficult position. Only a few know how to get out of them with honor. Suffice it to recall that, having expressed "moderate sympathy" for Iraq during the Gulf War, and having lost the support of rich sponsors in the Gulf, not to mention the United States and West Europe, 'Arafat was able to focus the attention of the international community, and primarily the "victorious" U.S. Administration of President Bush, on the fact that the smoldering Arab-Israeli conflict in the Near East would regularly provide this kind of setback if the process of a Near East settlement did not begin.

To give the Palestinian leader his due, he has always tried to maintain the impression of the equal importance of the two powers sponsoring world talks in the Near East. At times you get the impression that he even plays

up to Russia's desire to appear more important in the region than it actually is today. He tactfully left unanswered the question about who blocked Moscow's proposal to conduct a new "Madrid-2" multilateral meeting, although U.S. Secretary of State Warren Christopher's letter, which demands that 'Arafat give up supporting any "unsanctioned" initiatives, is well known in diplomatic circles in the Tunisian capital.

As for sending a Russian contingent to Palestine to protect the civilian population, then 'Arafat stressed that the presence of Russian observers in Palestine side by side with Americans is not only desirable, but even follows from the actual text of UN Security Council Resolution No. 904.

Meets With Rybkin

LD1904081694 Moscow *ITAR-TASS World Service in Russian* 0716 GMT 19 Apr 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow, 19 Apr—State Duma Chairman Ivan Rybkin today met with PLO Executive Committee Chairman Yasir 'Arafat. During the meeting, Yasir 'Arafat expressed confidence that the Russian side will render necessary assistance in implementing the recent agreements between the PLO and Israel, of which Russia and the United States are cosponsors. At the same time, Yasir 'Arafat noted that there have been recent "attempts to depart from the agreement and to push the Russian Federation to the sidelines in this process."

For his part, Ivan Rybkin told journalists after the meeting that "the Russian side favors the unconditional implementation of all UN Security Council resolutions concerning a peace settlement in the Middle East." The State Duma chairman said he hopes the agreement between the PLO and Israel "will be implemented without double standards." "I hope the last Israeli soldier will soon leave the occupied territories and free parliamentary elections will take place there to which the Duma will send its observers," Ivan Rybkin said.

Holds Talks With Kozyrev

LD1904091194 Moscow *ITAR-TASS World Service in Russian* 0854 GMT 19 Apr 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow, 19 Apr—Talks began here today between Yasir 'Arafat, president of the state of Palestine and chairman of the Executive Committee of the PLO, and Russian Foreign Minister Andrey Kozyrev.

Before the meeting began, Kozyrev expressed gratitude to the Palestinian leader for his "courageous act," which made progress possible in the process toward a peaceful settlement in the Middle East.

Meets With Yeltsin

LD1904124794 Moscow *ITAR-TASS in English* 1216 GMT 19 Apr 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow April 19 TASS—Russian President Boris Yeltsin met visiting PLO Chairman Yasir 'Arafat in the Grand Kremlin Palace today.

Welcoming the PLO chairman, Yeltsin said that Russia "is making efforts to support you politically, especially now that a negotiating process between PLO and Israel has begun." The Russian president pointed out that "our position alongside the position of the United States is very important".

Yeltsin pointed out that Russia understands PLO claims to Israel. In his opinion, after the meeting the negotiating process will go ahead more successfully. Yeltsin pointed out, in particular, that "we had invited Israeli Prime Minister Yitzhaq Rabin to visit Moscow next week" so as to avoid a break in the talks.

The meeting was attended by Russian Foreign Minister Andrey Kozyrev and presidential aide for international affairs, Dmitriy Ryurikov.

Importance of 'Arafat Visit Viewed

LD1804145694 Moscow *INTERFAX in English* 1318 GMT 18 Apr 94

[Text] Russia attaches great importance to the visit to Moscow by the PLO leader Yasir 'Arafat (he is to arrive Tuesday at 18:00 at the government airport Vnukovo-2—"IF"). The statement was made in an interview with Interfax by the special representative of the Russian president, director of the Russian Foreign Ministry Middle East department, Viktor Posuvalyuk.

He said this would be the first visit by 'Arafat to the new democratic Russia where he is to meet Russian President Boris Yeltsin. The meeting is planned for 15:00 on April 19 in the Kremlin.

Posuvalyuk said that for Russia which along with the United States is a co-sponsor of the peace process in the Middle East, it is important to have a first-hand assessment by the Palestinian leader of the state of things at the Israeli-Palestinian negotiations. The two sides will discuss the practical implementation of the Israeli-Palestinian Declaration on Principles signed in Washington last September, he said.

Posuvalyuk said that Israeli troops were to leave the Gaza Strip and Jerico shortly. So it would be good to speak about the prospects for trade and economic relations with the Palestinian territories, he said.

Posuvalyuk said that 'Arafat is to meet Tuesday with Russian Interior Minister Viktor Yerin (11:00, 16 Zhitnaya St—"IF"). Both sides will discuss the request by Palestinians on assistance to them in creating and equipping the police force, he said. After the territories are

liberated they are to be kept under control; naturally, the key role is to be played by the Palestinian police, which must be well-equipped, Posuvalyuk said.

Speaking about the situation at the Israeli-Palestinian talks, Posuvalyuk said that it raises cautious optimism. Nevertheless, there is hope that late in April-early in May the two sides will manage to sign an agreement on the Gaza Strip and Jerico, he said.

Posuvalyuk believes it is symbolic that Israeli Prime Minister Yitzhaq Rabin will arrive in Moscow on April 24-27 after Yasir 'Arafat.

'Intransigent' U.S. Policy in Iraq Criticized

PM1804135794 Moscow IZVESTIYA in Russian 16 Apr 94 p 3

[Aleksandr Sychev report: "Pentagon Asks Airmen in Iraq to Be Less Aggressive"]

[Excerpts] The 26 people on board the two U.S. helicopters downed by U.S. fighters over Northern Iraq probably died as the result of a mistake by the fighter pilots or technical faults. They were the victims of Washington's intransigent anti-Iraqi policy.

The two Black Hawk helicopters with U.S., British, French, and Turkish officers from the UN mission on board were flying to a meeting with the Kurdish insurgent leader Salakhaddin when they were shot down in broad daylight by two missiles fired from the two F-15 fighters. [passage omitted]

The war against Iraq ended in 1991, but Washington's policy toward Iraq remains warlike in tone and is marked by an unconcealed hostility toward Baghdad. It is patently obvious that the U.S. airmen, who were monitoring the safe haven in northern Iraq which was created soon after the Persian Gulf campaign to prevent Iraqi air raids on Kurdish camps, were influenced by the mood of official Washington. It is no coincidence that the Pentagon has issued several orders aimed at "curbing the aggressiveness" of the U.S. airmen serving in the safe havens in south and north Iraq and in Bosnia.

Mutual Concessions on Black Sea Fleet Urged

LD1904083394 Moscow ITAR-TASS in English 0702 GMT 19 Apr 94

[By ITAR-TASS military analyst Vladimir Gondusov]

[Text] Moscow April 19 TASS—The talks and consultations on the Black Sea Fleet which provoked a discord between Russia and Ukraine in the recent past, will need mutual concessions on both sides but should be held by all means in line with the agreement on the fleet which was signed by Boris Yeltsin and Leonid Kravchuk in Moscow on April 15, a high-ranking officer of the Russian Navy who refused to be identified, told ITAR-TASS on Tuesday.

On the other hand, he added, naval experts are apprehensive that the document opening the road to understandings on the Black Sea Fleet, can be doomed to the same fate as the Massandra Protocol signed by the two leaders last September, as well as earlier understandings on this difficult problem. Incidentally, the protocol had clear benchmarks.

Experience showed that the adoption of documents does not mean real moves by the Ukrainian side to settle the fleet's problems.

Military sources in Moscow and Sevastopol report that pressure on Russian servicemen continues in Izmail and Ochakov even in the course of ten days which were given to draft an agreement on the division of the Black Sea Fleet, in order to force them to take the oath of allegiance to Ukraine. Earlier, similar attempts were made in Odessa and Nikolayev.

Military experts believe that the Moscow agreement on the Black Sea Fleet has quite a number of "reefs". They note that, under the agreement, Sevastopol, the main base of the Black Sea Fleet, is not to have facilities of the Ukrainian Navy.

But it is highly improbable that Kiev will agree to this, although it understands that the two powerful administrative structures cannot rub elbows endlessly.

The cost of the Black Sea Fleet is another difficult problem to be tackled by Ukraine and Russia while settling the destiny of the fleet. One can count on serious progress in this sphere only after the fleet's assessment as well as the calculation of damage inflicted by Ukraine on Russia by "the lop-sided privatisation" of fleet ships (the figure reached 60 in two years' time).

Experts stress that the fate of the Black Sea Fleet can be sealed only on certain conditions which Ukraine should fulfill. For instance, it should not take lop-sided actions which will challenge the sincerity of the negotiating process.

That was the essence of the warning issued by the Russian president's press secretary Vyacheslav Kostikov on April 16 who said that the Ukrainian side, applying its usual "oozy" manner, started interpreting the understandings reached by the Russian and Ukrainian presidents in Moscow.

It began putting forth its own formulas concerning the lease, its periods and places of the fleet's deployment even before talks provided for by the agreement started.

Ukraine Offer To Repay Gas Debt 'Unrealizable'

PM1804145794 Moscow IZVESTIYA in Russian 16 Apr 94 p 2

[Sergey Leskov report: "As a Reward for Its Long-Suffering, 'Gazprom' Hopes To Receive the Port of Odessa From Ukraine"]

[Text] Apart from everything else, the development of the conflict between "Gazprom" and Ukraine will make us delighted with the surgical genius who bound the economies of the fraternal republics together in such a way that it would be more correct to call them "Siamese twins." This conclusion can be drawn from the results of the Moscow talks between Ukrainian First Vice Premier Valentin Landyk and "Gazprom" Chairman Rem Vyakhirev.

They agreed that Ukraine's debt to the Russian gas industry is now \$600 million, and that it will be paid off in the second quarter of 1994. However, you can read between the lines that neither of the sides is particularly relying on regular debt payments from Ukraine's empty budget pocket. For the first time, "Gazprom" did not threaten its neighbor with discontinuing supplies, and it did not mention the International Court. Gas is flowing through the pipeline, and will continue to flow. It is now obvious to everyone that it would primarily be Russia, which receives longed-for currency from the West for the export of gas, that would suffer from turning off the tap.

In this connection, the increasingly frequently mentioned possibility of "Gazprom" receiving property on the territory of Ukraine rather than money is acquiring particular significance. This time, apart from underground tanks and gas pipelines, Valentin Landyk has promised to give "Gazprom" a pretty fair part of the port of Odessa. The only thing that puts you on you guard is the simple fact that as the generosity of Kiev's proposals to the Russian gas industry increases, the clearer it becomes that these promises are unrealizable in practical terms. Foreign property on Ukraine's territory is not protected by legislation, and parliament has already had a sharply negative reaction to "Gazprom" having a share in a previous, narrower list of enterprises. As a result, the joint working group which is to coordinate the mechanism for turning the enterprises promised to "Gazprom" into joint-stock enterprises is getting practically nowhere in its activity.

Commission Proposes Freezing Estonian Border Issue

LD1904122494 Moscow INTERFAX in English 1036 GMT 19 Apr 94

[Text] The Russian-Estonian commission controlling the observance of the treaty on the principles of bilateral relations proposed that the Russian and Estonian foreign ministries and state delegations "freeze" the border issue for ten years, the commission's co-chairman Nikolay Medvedev told Interfax on Tuesday.

He said that Russia favored the idea of demarcating the Estonian-Russian border and granting it a state status. "Estonia has neither directly accepted it, nor objected to it in principle," he said.

The border dispute between Russia and Estonia still remains unsettled. Tallinn does not recognize the current borders, because in accordance with the Tartu treaty

signed back in 1920, Estonia included some of the regions which were joined to Russia during and after World War II.

"We want to secede from Russia with the same territory we had when we joined it," the commission co-chairman Enn Leison told Interfax. He pointed out, however, that Estonia did not seek the return of the territories in which ethnic Russians constituted 60 percent. "We wouldn't like to have non-natives added to Estonia," he said.

On April 18 and 19, the commission members met in Moscow to discuss social guarantees for Russian military pensioners living in Estonia, and the most favored nations trade regime provided for in the bilateral treaty.

The next session will be held in Estonia on May 15.

Moldova Gas Supply Cut Off To Offset Debts

LD1804132894 Moscow INTERFAX in English 1026 GMT 18 Apr 94

[Text] Russia's joint stock company Gazprom cut gas supply to Moldova by one third because of that republic's debt totaling 131 billion rubles by April 1, 1994. This was reported to Interfax by a well-placed Gazprom source. The company's current gas supply to Moldova amounts to 5.7 million cubic meters a day.

This year Moldova has not paid a single ruble to Gazprom, compensating for Russian gas partly in food supplies.

A Russo-Moldovan agreement signed at the end of 1993 commits Moldova to supplying to Gazprom \$145 million worth in food stuffs and consumer goods in partial payment for the delivery of up to 3.5 billion cubic meters of Russian gas.

Moldova now pays \$80 for 1000 cubic meters of gas. To transport Russian gas across Moldova into Romania costs \$1.5 per 1000 cubic meters of gas over 100 kilometers of pipeline.

Meanwhile, the talks between a Belarusian Government delegation and Gazprom officials, scheduled for mid-April, have been put off indefinitely because of the signing of a monetary integration accord. During the negotiations the sides were to look over the fulfillment of a Russo-Belarusian protocol on paying off the debt for Russian gas. This accord was signed on March 15, 1994.

Fedorov Criticizes Belarusian Monetary Accord

LD1804140594 Moscow INTERFAX in English 1026 GMT 18 Apr 94

[Text] Russia's ex-finance minister Boris Fedorov believes that a merger of the Belarussian [Belarusian] and Russian monetary systems will actually mean that every Belarussian citizen, including infants, will receive \$67 from the Russian tax-payer's pocket.

He made this statement during the discussion "The Future of the Russian Economic Reform," held in St. Petersburg on the eve of the annual conference of the EBRD managers.

To quote Fedorov, the decision on the merger of the two monetary systems reflects the Russian Cabinet's inconsistent policies at a moment when Russia has approached financial stabilization.

Deputy Finance Minister Andrey Kazmin admitted that by signing this agreement with Minsk, Moscow was running a risk. He noted, however, that Belarus had accepted Russia's key demand for subordinating the National Bank of Belarus to the Central Bank of Russia.

Commentary Notes Stalemate in DPRK Nuclear Issue

SK1904091794 Moscow Radio Moscow in Korean 1000 GMT 18 Apr 94

[From the "Focus on Asia" program]

[Text] At a meeting with foreign reporters, foreign diplomats, and foreign businessmen, DPRK President Kim Il-song declared that the DPRK would not accept the inspections by the International Atomic Energy Agency [IAEA] of two undeclared nuclear facilities. Station commentator (Aleksey Kontrachev) indicates that the DPRK president once more made clear the DPRK's position regarding the inspection of the radiochemical laboratory and another nuclear site in Yongbyon.

According to the IAEA's opinion, the two sites are producing plutonium needed for nuclear weapons. Other

countries, as well, have the same suspicion. Neighboring countries, in particular, harbor such suspicion.

However, President Kim Il-song said: Pyongyang has nothing to hide from the world. It is natural that the DPRK has its own military secrets as other countries do, he added.

However, can the DPRK president's remarks alleviate the international community's concerns?

The IAEA holds that all nuclear sites should accept the IAEA's inspection without exception. Pyongyang's refusal to accept the IAEA's inspection has further aggravated tension on the peninsula, let alone creating suspicion of the nuclear facilities.

It has been reported that the UN Security Council will actively discuss the issue of imposing international economic sanctions on the DPRK in early May.

Now, how can the present stalemate be settled? Pyongyang believes that this stalemate can be settled through direct dialogue between the DPRK and the United States.

(?The international community) is seeking other ways. Washington has set some preconditions for its direct dialogue with the DPRK. Pyongyang is refuting some of these preconditions. It seems that Moscow's proposal will be able to settle the stalemate. Moscow proposes that an international conference be held to discuss the issue on the denuclearization of the Korean peninsula.

Seoul and some other countries support Moscow's proposal.

Political Issues

Yeltsin Consults Parliamentary Groups on Accord

LD1804185694 Moscow INTERFAX in English 1652
GMT 18 Apr 94

[From the "Presidential Bulletin" feature No. 74 (564) for 18 April 1994 compiled by Nikolay Zhrebtskov, Andrey Petrovskiy and edited by Vladimir Shishlin]

[Text] President Boris Yeltsin on Monday met Nikolay Medvedev, head of the parliamentary group of the New Regional Policy coalition. The meeting was held behind closed doors, but some sources told Interfax it had focused on the finalization of a draft for a civic accord, a proposed agreement between reformists and hardliners to prevent violence. The same subject was discussed at a meeting of a working group including the leaders of all eight parliamentary groups, also held on Monday.

Alevtina Fedulova, deputy chairwoman of the lower house of the legislature, said Yeltsin and the parliamentary group leaders were to consider the finalized draft of the accord at a meeting tentatively scheduled for April 22. But she said the meeting might be postponed if a draft taking account of all the suggestions and objections that had been made was not ready by that date.

IF Note: Some sources told Interfax some of the objections were very serious. For instance, the Communist group, headed by Gennadiy Zyuganov, protests against one of the fundamental points in the draft, a clause in which the signatories would pledge not to make any amendments to the Constitution that might destabilize the political situation in the country. Extreme nationalist Vladimir Zhirinovskiy said on Saturday that his Liberal Democratic Party would not sign the accord unless Yeltsin dismissed Anatoliy Chubays as deputy prime minister and chairman of the State Property Committee, Andrey Kozyrev as foreign minister and Viktor Yerin as interior minister.

Meets Medvedev

LD1804154194 Moscow ITAR-TASS in English 1439
GMT 18 Apr 94

[Text] Moscow April 18 TASS—Russian President Boris Yeltsin met with chairman of the deputy faction "New Regional Policy" Vladimir Medvedev in the Kremlin on Monday to discuss regional problems. The presidential press service said that Yeltsin and Medvedev stressed the need for signing an agreement on civil peace and called for taking practical measures to rescue the country out of the current crisis.

Medvedev informed the president about the goals and tasks of his faction and expressed concern about the non-payment crisis. Yeltsin reiterated his intention to continue discussions with deputy factions and groups, including those representing the interests of Russian regions.

Filatov: Civic Accord Signing on 28 April

LD1804181194 Moscow ITAR-TASS in English 1740
GMT 18 Apr 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow April 18 TASS—"The signing of an agreement on civic peace and accord will take place on April 28 in the St. George hall of the Grand Kremlin Palace," Russian presidential chief of staff Sergey Filatov said on Monday. In an interview with ITAR-TASS, Filatov said that the agreement will be signed by President Boris Yeltsin, the government, leaders of the State Duma and the Federation Council, and representatives of trade unions, the presidential public chamber, religious organisations and political movements.

"The agreement will remain open to all who may wish to sign it," Filatov added. A special conciliatory commission which will comprise "representatives of the president, the government, political parties and public movements" will oversee the implementation of the agreement. Filatov believes that the commission should use the experience of the mass media court.

He said there is no need to adopt the agreement on civic peace and accord as a federal law, but added that the parties to it may face possible consequences if they violate the agreement.

'Passivity' of Population

PM1904092394 Moscow ROSSIYSKIYE VESTI in
Russian 16 Apr 94 p 1

[Lyubov Tsukanova article: "Accord Must Mature Within Society. At the Moment, However, Only the Politicians Are Active"]

[Text] A Civic Accord Assembly will be convened in the Kremlin on 28 April for the signing of the Agreement on Civil Peace. The document will be open for amendments, comments, and suggestions until 20 April.

Thus there is very little time left. However, no great activeness has been observed yet among the potential parties to the agreement.

The Social Democratic Party of Russia has clearly announced its readiness to sign the memorandum. The Party of Consolidation supports the idea of the agreement. The Majority Party, one of the "newest" Russian parties, has expressed its attitude toward the contract. It is a very ambivalent attitude, let us note: While supporting the idea of consensus itself, the party's leadership has announced a readiness to affiliate to the agreement only if it is substantially reworked.

Given that according to fundamental political, economic, social, moral, and ethical criteria there exist not just different but even opposing viewpoints, it may be that even those political forces which are amenable to accord will not be able to agree "point by point" and that the memorandum will be signed by only those few

opposition organizations which even without a special agreement are taking part in political activity on a strictly constitutional basis and according to constructive principles.

But it is the passivity of the population which is surely the most worrying factor. Of course, the nonparticipation of the overwhelming majority of citizens in the conciliation process is not evidence of the indifference of the masses toward their own fate and that of the country but is the result, on the one hand, of the exceptionally weak influence of political organizations among the masses and, on the other, of a fairly formal attitude toward the process on the part of the power structures at all levels.

There is a third reason as well. Many (not only in number but also in scope) nonpolitical and social organizations—various types of unions, societies, associations, and foundations—have been excluded from the conciliation process. Reliance on a party whose only interest lies in the struggle for power is surely less promising as regards accord than the involvement in the peacemaking process of nonpoliticized associations which have a much broader base among the masses, are the foundation of a civic society, and could form a reasonable, calm, and constructive counterweight to the politicians' ambitious aspirations.

Shakhray on Accord

LD1804180294 Moscow INTERFAX in English 1613
GMT 18 Apr 94

[Text] Russian Vice Premier Sergey Shakhray said there was no alternative to the idea of national accord proposed by the Russian president. He stressed in an interview with an Interfax correspondent in Novosibirsk that this provided for real accord aimed at restoring the political and economic stability in Russia and not just for a one-time peace agreement between different political parties and movements. Shakhray is currently in Novosibirsk where he is taking part in a scientific conference on regional economic issues on the invitation of the local administration.

Shakhray pointed out that many political parties and movements, their factions in the Federal Assembly and representatives of the regional authorities were struggling for spheres of influence in Russia's energy, military-industrial and agrarian complexes. Shakhray believes that the president and the government must act as mediators in order not to let any political forces worsen the situation in the Russian economy. Shakhray emphasized that only this agreement could bring economic stability to Russia.

Progress on Civic Consensus, PFP Viewed

PM1804141494 Moscow SOVETSKAYA ROSSIYA in
Russian 15 Apr 94 pp 1-2

[Vladimir Isakov "parliamentary diary": "Accord According to Schedule"]

[Excerpts] Who Here Is Against Peace?

This is the second week in a row that the reading Russian public has been intensively studying the document entitled "Agreement on Achieving Civil Accord in Russia," which President Yeltsin sent to parliament.

The "Agreement" opens with the fresh idea that "civil accord is needed in Russia today as never before" and "there are no problems that cannot be resolved without fueling social tension and not resorting to violence." Although the author of the document has plainly become entangled in gerunds, his meaning is clear and cannot be disagreed with. And yet I recall that we had already been told with equal conviction that "Russia has exhausted its quota of revolutions," but then they upped and carried one out. "Impossible, impossible, impossible!" they repeat every time. The longer they repeat it, the more obvious it becomes: "If we want to very much, then we can!"

The section "Political Life of Society" speaks of the need to comply with the Constitution and the principles of democracy, a civil society, and the separation of powers. But protective motives can be glimpsed through the fence of general phrases: "The sides pledge to refrain from making changes to the Constitution which destabilize the situation" and also "not to initiate political campaigns for the purpose of holding early...elections." In return the authorities make a broad gesture: They pledge to reject the "uncivilized and incorrect" use of the mass media and to stop attaching insulting labels to "heroic and tragic pages of the past."

But is it possible to "close" the question of early elections when Russia has a president who was elected back in the Russian Soviet Federated Socialist Republic, who exempted himself from an oath to the former Constitution and did not take an oath to the new one, who dissolved parliament on condition that both branches of power would be reelected, and who, right after the shoot-up, went back on his word? Can such a president be considered a legitimate authority? Is it possible to silence those who demand that he stand for election again without delay in accordance with the proper procedure?

At first sight the section "Regional Policy" is extremely balanced. On the one hand it declares "the need to broaden the independence of the components of the Federation by strengthening the tax base," while on the other it emphasizes an increase in the responsibility of the organs of power of the components of the Federation for the collection of federal taxes. The warning is more than topical, since more and more components of the Federation—Tatarstan, Bashkortostan, Karelia, Yakutia (Sakha)—are ceasing to transfer taxes to the federal treasury. Today the republic budget is shrinking like shagreen leather and reaching ridiculous figures—something like approximately 9 percent of gross domestic product. However you share out this sheepskin and stretch it, it obviously cannot "cover" science,

education, culture, health care, defense, assistance for the countryside, and Russia's foreign economic obligations.

Foreseeing serious problems with the country's unity and integrity, they are trying to secure from the components of the Federation a "written undertaking not to leave"—a pledge to renounce changing their constitutional status for two years. But, in addition to this, it would be a good thing to demand of the Moscow authorities a pledge that they will, at least, abide strictly by that status as it exists today.

In connection with the fact that the law on the principles of the delimitation of powers has still not been adopted, the federal power has solemnly promised to announce a moratorium on the signing of bilateral treaties on the delimitation of terms of reference and powers. Was it worth a wasted effort—signing such a treaty with Tatarstan? What about the fact that advances have also been issued to a number of regions?

The section "Conditions and Mechanism for Fulfilling This Agreement" appears very surprising. For the purpose of monitoring compliance with the Agreement, it is proposed to form a Conciliation Commission from representatives of the president, the government, the chambers, and the State Duma factions. The procedure for forming the commission and its numerical composition have not been defined at all, and yet precisely it will be entrusted with determining the fact of a violation of the Agreement and precisely it will be empowered to use measures of influence against violators, even including proposals to dismiss them from a leading post and to lay down their powers as a deputy.

I need not cite anymore. It is already clear that the "Agreement" is of an extremely one-sided nature and is very reminiscent of the agreements between the first conquistadores and the ingenuous and naive indians.

It would be quite possible to forgive the shortcomings of the first version of the document but for another important circumstance. Please tell me, who now is preventing the president from shaping and implementing a policy of accord without any "agreements"? Nobody. Meanwhile, every day there is a new act of confrontation—with the Constitution, with parliament, with society. Here are just a few examples.

Two weeks after the Duma adopted the amnesty decree and the Memorandum of Accord, S. Filatov, leader of the president's administration, signed a directive confirming the list of "disfranchised" persons—former people's deputies of the Russian Federation to whom social guarantees do not extend. Their entire "guilt" consists in the fact that they were not cowardly and did not run away but fulfilled to the end their duty to the Constitution, as a deputy is supposed to do. As a result, they have been deprived of privileges, are not taken on for work, and are not granted a pension. They are outcasts and persons of no fixed abode with deputies' badges.

A little earlier an analytical note by P. Filippov, leader of the analytical center for socioeconomic policy, had popped up out of the presidential structures. In it he unequivocally recommended that the president embark on the compulsory disbandment of kolkhozes and sovkhozes. Corresponding draft edicts also appeared. Evidently, it never occurs to the president's favorite oprichnik that the kolkhozes and sovkhozes, which he despises, still bear the brunt of supplying the country with food. That on the eve of sowing it is stupid and shortsighted to get under a farmer's feet with such edicts.

Parliament has been sent a budget which demonstratively "forgets" the chambers of the Federal Assembly, as though they no longer existed. Funding for deputies' aides in the provinces has been ended on orders from above. And not just aides—this is now the fourth month that the Duma itself, evicted from its legal residence, has been working in totally unadapted premises, surrounded by commercial structures. During this time dozens of guests have been inside its walls, including an ex-president of the United States. But the deputies have never been vouchsafed the honor of beholding their own president with their own eyes.

The questions of Russia's joining the "Partnership for Peace" program and of holding joint Russian-U.S. maneuvers on the Totskiy range were decided in a "spirit of peace and accord." They were announced without any consultation with parliament, despite public protests.

And then there is the business with Kazannik, who last week, yielding to brazen pressure, tendered to the Federation Council his resignation from the post of Russian Federation general prosecutor....

Even the essentially secondary draft law on the procedure for publishing and validating federal laws gave rise to an acute juridical conflict. At first the president sent an amicable letter and amendments to this draft law, which the Duma accepted. But a week after the adoption of the law on its second reading he "covered" it with an edict which canceled out the already adopted law from the first to the last article....

In short, there are more than enough examples of "accord" and "peaceful cooperation." "We will not allow war, but no stone will be left standing in the struggle for peace...." Immortal lines!

"Partnership for NATO"

The question of Russia's joining the "Partnership for Peace" program is a visible example of the confusion now reigning in the foreign policy sphere. Discordant statements, contradictory speeches by high officials, which cancel each other out.... On top of everything—defiant, lordly disdain for the position of parliament and for public opinion.

True, the question is far from simple. Opponents of joining point out that expanding NATO and bringing its zone of operation closer to Russia's borders is a direct violation of the political pledges first given to Gorbachev

and then to Yeltsin as a condition for the speediest withdrawal of Russian troops from the territory of contiguous states. The troops have been withdrawn ahead of schedule, but the pledges...have they been forgotten?

It is perfectly obvious that the attempts to jostle Russia into NATO's "anteroom" place it, a Eurasian power and one of the initiators of the CSCE, in an ambiguous position. To all appearances, joining the NATO security system will put an end to the intention to create our own security system within the CIS framework. Politicians of very different trends, including those whom it is hard to suspect of having sympathies with "communofascism," unequivocally maintain that joining the "Partnership for Peace" program does not accord with Russia's international status.

But it cannot fail to be seen that Russia's resolute refusal will be perceived extremely ambivalently in the world. "Russia's refusal to join the program," Stephen Larabee, a leading staffer of the Rand Corporation, maintains, "will be a watershed in the development of Russia's relations with the West.... Very many people in the United States will say that in this way Russia wants to retain a completely free hand in the CIS and thereby confirms its neoimperial ambitions."

So, two versions—one worse than the other. It is legitimate to ask: How can such a thing have happened? Why has Russian diplomacy, which shouts from the rooftops about the "new Russia" and about "loyalty to democratic principles and the ideals of human rights," led the country to such a shameful, humiliating choice?

Let us listen to Foreign Minister Kozyrev:

"In the course of complex discussions we jointly arrived at the idea of deepening and institutionalizing cooperation with NATO—an idea embodied in the 'Partnership for Peace' concept advanced by the United States. Let us commit to memory the words 'we' and 'jointly.'"

But here is the opinion of U.S. politicians and forecasters of the Heritage Foundation. Feel the difference:

"In order to curb revanchist Russia, the United States must encourage the implementation of necessary economic and political reforms in the countries of central and East Europe, so that they can join NATO....

"Poland, Hungary, and the Czech Republic have begun implementing the difficult political, economic, and military reforms which will be required for NATO membership. No country which does not wish or is not able to implement these reforms will be afforded the opportunity to enjoy the security guarantees provided by NATO. Thus, neither Ukraine, which possesses nuclear weapons, nor Russia, which is pursuing an expansionist course, can be regarded as suitable candidates for any membership, even formal membership, of NATO....

"Russia should be allowed to become NATO's 'partner,' as provided for in Clinton's 'Partnership for Peace' program, but only if it continues the course of democratic market reforms."

Do you understand? Those who do not understand are told straight to their face:

"It is also important that Clinton's warning to Russia that the price of returning to dictatorship and imperialist expansion will be a high one should be heard."

This is how our "strategic partners" express themselves, unlike our twittering minister.... Listen, maybe Kozyrev should be replaced by some U.S. expert? He would hardly increase the size of the damage, and the benefit would certainly be greater.

Who Cost What, or How Much Does Democracy Cost?

The Central Electoral Commission has submitted an official report, from which it can be seen that the 12 December elections to the Federal Assembly and the referendum on the new Constitution cost the country a "round sum"—120.7 billion rubles. [passage omitted]

In the election campaign, despite a very strict ban, extensive use was made of the funds of legal persons with foreign participation. Here are some examples of illegal donations ascertained by the Central Electoral Commission.

"Russia's Choice"

"Effektcredit" Joint-Stock Commercial Bank—3,000,000

"Sky Line" Russian-British Joint Venture—20,000,000

"Olbi-Diplomat" Joint-Stock Company—130,000,000

"Stolichnyy" Joint-Stock Commercial Bank—154,800,000

"Yavlinskiy-Boldyrev-Lukin" Bloc

"Viamond LTD" Joint-Stock Company—30,000,000

"Torgovlya i Kredit" Joint-Stock Company—10,000,000

"Option" Joint-Stock Commercial Bank—10,000,000

What can you say here? Democracy is being squeezed out of money bags....

Influence of Yeltsin 'Experts Group' Viewed

MK1904093094 Moscow KOMMERSANT-DAILY in Russian 19 Apr 94 p 2

[Vladislav Borodulin report: "Group of Presidential Advisers Created. They Prefer Young Folks in the Kremlin"]

[Text] Aleksandr Lifshits, head of Boris Yeltsin's experts group, has violated the traditions of forming consultative councils (which used to include only academic glitterati)—economists absolutely unknown to the public have become presidential advisers. On 15 April, the president signed an edict confirming the list of the group's members and rules guiding its work.

The group of experts was created a month and a half ago as a structural subdivision of the presidential aides service. It was also then that its director—Aleksandr Lifshits—was appointed. The edict that appeared last weekend set the cap on the group: eight persons (six experts and two secretaries), and defined the main areas of its work. Presidential experts in particular are expected to prepare proposals on the implementation of economic policy and to forecast consequences of decisions made by parliament and the government in the socioeconomic sphere. Mr. Lifshits stated that, in addition to himself, five economists, "absolutely unknown to the broad public," work in the group. He declined to identify them by name, obviously fearful of provoking a "star complex" in his charges.

At any rate, the group's personal composition is not all that important. Experts name the control function as among the body's more obvious ones—in regard to parliament's and the government's economic creativity. Mr. Lifshits stated that he "dislikes the commissar function," while the body of experts would hardly avoid this sort of work owing to its status. In this sense "stars on the group of experts would even prove harmful—each member would try to bring precisely his own opinion to the president. Besides, members of the president's staff do not rule out that the group was created at Sergey Filatov's initiative.

The main purport of organizing the group in this case boils down to creating a certain counterbalance to the State Legal Administration [SLA], poorly controlled by Filatov and headed by Ruslan Orekhov. The government, too, is interested in this—its officials have long been seeing in the SLA, as Justice Minister Yuriy Kalmykov put it, a successor to the Politburo which "without permission" corrects (or even turns down) many departmental plans. Should this version be correct, the composition of the group generally loses sense—it only suffices to assess the ability of the group's leader to influence decisions made by the president (especially in moments of doubt). Judging by Mr. Lifshits' rapid rise, he enjoys support from rather influential forces in the Kremlin. Hence he is in a position to influence the president.

Saratov-Moscow Gas Pipeline Blows Up

*LD1804130994 Moscow INTERFAX in English 1026
GMT 18 Apr 94*

[Text] On Sunday night, the gas pipeline linking Saratov and Moscow blew up three kilometers east of the city of Lukhovitsy. The Ministry for Emergency Situations told Interfax that the explosion had occurred and a fire flared up as a result of the pipeline break. Gas has been switched off. No one was injured. Consumers are receiving gas from other pipelines. Repair work is underway.

Gunmen Attack New Russian Party Headquarters

*LD1804165294 Moscow ITAR-TASS in English 1608
GMT 18 Apr 94*

[By CRIME-PRESS correspondent Olga Solodova]

[Text] Moscow April 18 TASS—A group of unidentified gunmen burst on Sunday into headquarters of Russia's newly-born Party of Scientific and Technical Intelligentsia (PNTI) and sprayed the ceiling with automatic gun fire from two Kalashnikovs, the party press service told CRIME-PRESS on Monday. At the same time, another group of intruders robbed a money exchange office which was located next door.

Party leader Aleksandr Krasnov is sure it was a mock robbery, since only 2,000 roubles (about one dollar) were stolen, while the real aim of the break-in was to scare party-members. Last fall, Krasnov, a scientist and former chairman of the Moscow Krasnopresnenskiy District Soviet, reportedly supported the dissolved parliament in its stand-off with President Boris Yeltsin.

Russia's Choice To Protect CIS Russian Speakers

*LD1804214294 Moscow ITAR-TASS in English 2050
GMT 18 Apr 94*

[By ITAR-TASS correspondent Aleksandr Kharchenko]

[Text] Tver April 19 TASS—One of the main tasks of the party "Russia's Choice" is to protect Russian-speaking population in former republics of the erstwhile Soviet Union, its leader Yegor Gaydar told ITAR-TASS today. For this purpose "we will use all levers we have, and, in particular, create public opinion aimed at the protection of the Russian people who are subjected to oppressions by anyone," Gaydar said.

Yegor Gaydar ended his tour of the Tver region today during which he met supporters of the "Russia's Choice" party, representatives of business circles and directors of enterprises of the Upper Volga region.

Zhirinovskiy: Troops Should Down NATO Planes

*LD1804175294 Moscow INTERFAX in English 1613
GMT 18 Apr 94*

[Text] The only way of ending violence in the Balkans is to send one Russian army division to each of the five former Yugoslav republics and bring down any NATO warplane before it flies over the region, LDP [Liberal Democratic Party] leader Vladimir Zhirinovskiy said on Monday.

He held out promises of an immediate peace in the Balkans, Georgia and Nagorno-Karabakh as soon as his party came to office. Zhirinovskiy, who is confident about LDP's chances of power, outlined plans of sending Russian crack units, now withdrawn from Germany, to

ex-Yugoslavia. "Trainloads of troops will head for Belgrade instead of eastwards, there will be calm and quiet in the Balkans where the Russian Army will remain forever", he promised.

On Moscow's rescheduling of Russia's entry of the Partnership for Peace plan, the LDP leader accused the foreign ministry and President Yeltsin of procrastination saying "their decisions come only after thousands of people have died".

He is also confident that Moscow will cancel planned exercises with US troops in the Urals scheduled for July. The forthcoming event is of public concern and our people should not have any cause for anxiety, he said.

'Yabloko' Bloc Leader Yavlinskiy Interviewed

PM1804133194 Moscow ROSSIYSKAYA GAZETA in Russian 16 Apr 94 First Edition pp 1-2

[Interview with Grigoriy Yavlinskiy, leader of the "Yabloko" parliamentary faction, by Ilya Smirnov; date and place of interview not stated: "Grigoriy Yavlinskiy: Not Walking Backward"]

[Text] State Duma Deputy Grigoriy Yavlinskiy, leader of the "Yabloko" parliamentary faction, advocates serious amendments to the reforms which are being carried out in the country, including the alteration of a social policy which has led to the impoverishment of millions of Russians. But he resolutely opposes attempts to return to the pre-perestroika totalitarian past with its ineffective antimarket economy. That was the subject of my talk with Grigoriy Yavlinskiy.

[Smirnov] In this connection what is your attitude toward the program recently put forward by Academicians Abalkin and Shatalin?

[Yavlinskiy] In my view the main provisions of their program connected with the freezing of prices and wages are unrealistic and erroneous. It looks as though the reformists' blunders have seriously frightened the academicians. They are calling for a turning back. But I, on the contrary, advocate advancing toward the market. Naturally on condition that the necessary amendments are made to the erroneous course.

[Smirnov] Where do you see the main blunders of the reforms' organizers?

[Yavlinskiy] The strategic error of the first stage of the reform was the attempt instantly to replace state regulation of the economy with monetarist instruments for managing it, designed for market systems which have already taken shape and which have a competitive environment. As a result we acquired an extremely monopolized pseudomarket. And today, in an attempt to "dash inflation," we are essentially struggling not against the causes of the disease but against its consequences.

[Smirnov] Has Russia nonetheless any possibility left of emerging from the quagmire of the economic crisis and again occupying a fitting place in the world community?

[Yavlinskiy] Of course it has. And during the recent Federal Assembly election campaign the "Yabloko" centrist parties' election bloc published its program for the country's emergence from the crisis. In it we suggested, first, introducing order regarding the state's control of those spheres of the economy which remain in its hands. Second, STRUCTURAL POLICY must be oriented toward the expansion of the domestic market, the increase of the export of highly processed output, support for science-intensive sectors which ensure "break-through" technologies, support for driving sectors (for instance aircraft building and space, oil extraction and refining, the construction materials industry, and housing construction). Third, we must ensure the formation of a competitive environment and the restriction of monopolies. Fourth, we must review financial and monetary and credit policy in the interests of creating predictable macroeconomic conditions for enterprises and the population and also for reducing tax pressure on enterprises in the production sphere. And so forth.

[Smirnov] Has the government taken note of the "Yabloko" bloc's program?

[Yavlinskiy] Not so far. I judge by the draft budget which was recently submitted for examination by the State Duma.

I have the feeling that the authors of the draft were concerned with just one thing—the process of extracting a mass of money and toughening monetary policy. At any rate very many questions connected with structural restructuring, with privatization, with support for business, with investments in sectors which are the driving ones for reform, and so forth, have not been reflected in the draft. With this budget the government should prepare for the solution of problems connected with mass bankruptcies and the growth of unemployment.

Attention is drawn by the combination of a very tough budget with high interest rates for bank credits, in excess of 200 percent. These are virtually prohibitive rates for enterprises. In this connection I should like to obtain in addition to the draft budget another document on the main avenues of monetary and credit policy. In order to understand how this toughness in the budget will be compensated for from the viewpoint of the Central Bank's policy. In general it seems to me that the draft budget which is being examined in the Duma reflects the government's lack of resolve as to whether to move in one direction or the opposite one. Politically it satisfies neither the supporters of reform nor the opposition.

[Smirnov] And what can you say about the memorandum on accord proposed by the president? Does it open the way to the desired stability?

[Yavlinskiy] Serious documents of this kind could appear only as a result of lengthy, painstaking, and unfailingly honest preparatory political work. The parties and movements taking part in the preparation of the memorandum should have a clear idea of its concept and the terms of compromises, the range of key issues (on

which the participants will agree), the legal force of the decisions enshrined in the document, the methods of monitoring them, and so forth. It seems to me this work has not been done. And in general I think the process of attaining civil accord should begin not with the signing of documents on universal love but with a discussion of specific problems which perturb society. The state budget could be the start for such open talk. It brings together the interests of all civil groups: the inhabitants of regions, entrepreneurs, servicemen, state enterprise and military-industrial complex workers, representatives of science and culture, and so forth.

Incidentally, we should examine the question of the alteration of the practice of forming the budget so that it is based on the holding of a "roundtable" at which representatives of all these groups could coordinate the basic principles of budget policy. If that cannot be done at the stage of preparation of the budget for the current year of 1994 then this task should undoubtedly be resolved in the interests of compiling the budget for 1995.

[Smirnov] As we know, in 1991, in an attempt to prevent our country's collapse, you and your comrades in the EPItsentr (Center for Economic and Political Studies) prepared something like the memorandum on accord.

[Yavlinskiy] Yes. In 1991 we did indeed work on a document of this kind, which prescribed the entire technology for preparing the relevant contract. The document was called "on a policy of social accord." In July 1991 it was published as a brochure. We suggested at the time that Gorbachev and Yeltsin conduct talks on our methods with representatives of leading political forces in order to avoid the country's collapse. Unfortunately that was not done. The leaders at the time engaged only in empty talk. Naturally this talking shop led to nothing sensible.

[Smirnov] A sorrowful date was marked recently—it was six months since the tragic denouement of the conflict between the former Russian parliament and the executive power. The press has said a lot about how it will be impossible to achieve real accord in society until all those events have been investigated and assessed politically. Do you agree?

[Yavlinskiy] I do not think that in the search for civil accord we should make preliminary conditions of this kind. Although the question of a political assessment of last October's events is extremely important. The Duma "Yabloko" faction firmly advocates the creation of a parliamentary commission to investigate and sum up politically the events of 21 September through 4 October 1993.

Only an independent parliamentary commission will be able to determine the real political guilt of those who bring the country to cataclysms and thus protect society from such figures in the future. Russia is no place for permanent coups d'état. Even if they are carried out under the flag of reforms. That is why our faction

believes the Duma's abolition of this commission in adopting documents in February on the amnesty was an erroneous and dishonest action with regard to Russia's citizens. I am convinced that the outcome of the parliamentary commission case was decided by the fact that in Russian politics today there are too many people who have an extreme lack of interest in objective investigation. This amnesty adopted by the Duma in February was being sought covertly or openly primarily by those guilty of the bloodshed. It is clear that these people were on both sides in those tragic days.

[Smirnov] And one last question. Are you not perturbed by the fact that because of economic and political instability it will be hard for us to count on foreign aid in the foreseeable future?

[Yavlinskiy] I am not. I am profoundly convinced that no one will be able to buy a market economy, a democracy, or a proper living standard for Russia. We will have to achieve all this through our own labor.

Trade Union Leadership Under Fire at Conference
PM1804132594 Moscow TRUD in Russian 16 Apr 94 p 1

[Fedor Yemchenko report under the "Such News" rubric: "FITUR: Criticism from Left and Right"]

[Text] An all-Russia conference of trade union committee chairmen has been held at the FITUR [Federation of Independent Trade Unions of Russia]. Those who are directly responsible for resolving the socioeconomic problems of labor collectives gathered for the representative forum.

Analyzing the working people's present situation, the trade union leaders attempted to formulate a unified strategy to protect the working people's interests. All the speakers emphasized that this can be achieved only by pooling the efforts of all trade union organizations. At the conference there was criticism of the FITUR leadership and accusations of its excessive politeness [loyalnost] in relations with power structures.

Representatives of Working Moscow set up their picket outside the FITUR building yesterday. The pickets accuse the FITUR leadership of infringing the working people's interests with the General Agreement between the government, employers, and trade unions, which they signed recently.

'Great Power Party' Holds Founding Congress
LD1804133694 Moscow INTERFAX in English 1156 GMT 18 Apr 94

[Text] The founding congress of Russia's Great Power Party took place at the Lesnoy Gorodok holiday home in the Moscow countryside on Sunday. It endorsed the party's program and rules and elected the central bodies. The leader of the Officers Union Stanislav Terekhov was elected chairman of the party.

Last February, Lieutenant-Colonel Terekhov was released from the Matrosskaya Tishina prison on an amnesty declared by the Duma for all participants in the events in Moscow in September-October, 1993. Military investigators claim that he led an attack on the CIS Army Headquarters in late September, 1993, as a result of which a policeman and an elderly woman were killed. Addressing the congress, Terekhov declared that his party would work to revive Russia and its armed forces spiritually and patriotically. The party intends to interact with left-wing communist parties and the Russian Orthodox Church, he said.

Chernomyrdin's Team-Selection Process Viewed

PM1504140194 Moscow IZVESTIYA in Russian 14 Apr 94 p 4

[Irina Savvateyeva article: "Chernomyrdin's Team—the Internal Political Scene"]

[Text] Sovereign Vassal on Road to Presidency

Relations between the present Cabinet of Ministers and the president and his apparatus are fairly complex. At first, the presidential structure rose up to dizzy heights, whereas the government's position was one of subordination. These were the relations of vassal and sovereign, which, however, even then were not the relations of slave and slaveholder. A vassal had the right to fight for his independence and autonomy, as well as for their subsequent expansion. Which is what Viktor Chernomyrdin became involved in when he started forming "his own" government.

As a result, the government structure became more firmly established. Admittedly, certain observers still give it a subservient role, pointing out that the president controls the activity of the "power" ministries and also has the right to intervene in financial and economic policy if the threat of hyperinflation arises. However, others are inclined to believe that in terms of its power and strength of influence, the government is not at all inferior to the president's administration. And in terms of organization and effectiveness, is even ahead of it.

By and large, according to certain observers, the place and role of the Russian Government in the country's political life are today predetermined by the future battles for the post of president. And also by the fact that the leader of the government is the No. 1 candidate for the post of head of state. In short, this is a government whose main function is to help the premier to become president.

Meanwhile, it is advantageous for the current president to play along with future contender for the presidency.

So Yeltsin has moved aside, handed the economy to Chernomyrdin, and is now observing what will happen next. If, contrary to expectation, Viktor Stepanovich

manages to hold the country on the brink of hyperinflation, Boris Nikolayevich will be interested in having him as his successor. As a man who maintained personal loyalty.

And it is also in the premier's interests to play along with Yeltsin: Chernomyrdin needs Yeltsin even more than Yeltsin needs him. If it proves possible to rescue the economy, the premier will simply prove to be "doomed" to become president. So that Chernomyrdin's task in the present conditions is utterly clear: to sit out Yeltsin's tenure, trying not to make any sharp movements, and to support Yeltsin without doing a deal with him.

Government-Parliament

As for relations between the government and the parliament, these are still at the formative stage. However, confrontation between the two bodies is already fairly discernible. The government is trying to do all it can to deprive the Federal Assembly of even a hint of autonomy in the question of material wealth. Meanwhile, virtually all the parliament's material backup is under the control of the president's administration. And in many respects this fact determines the relations between the legislature and the executive.

For the time being, the parliamentary opposition has been behaving very carefully—with the government too. The discussion of the budget proposed by Chernomyrdin has begun surprisingly peacefully. The lessons of October have evidently not been forgotten. Furthermore, in the present situation it is advantageous for the legislators to distance themselves from the government's economy policy. And to act on the basis of the principle: Let things happen as they happen, and we will criticize quietly. At the same time, a number of potential candidates for the presidency, making use of the Duma platform, are waiting impatiently for this government to ruin the economy and bring itself down.

However, the majority of Duma factions have a fairly loyal attitude toward the government. Thanks to Aleksandr Zaveryukha, Chernomyrdin has found a common language with the communists, the agrarians and the "Women of Russia"—he is close to them in spirit. Boris Fedorov was profoundly wrong when he sought Zaveryukha's dismissal: In any other circumstances the premier would not have parted for anything with a man who allowed him to control a significant part of the parliamentary opposition.

"Russia's Choice" and the "12 December" group will be forced to support Chernomyrdin on the basis of gloomy considerations: "Or else things will get even worse."

And as for the Party of Russian Unity and Accord, it—following the elevation of both its leaders to the rank of vice premier—is quite simply a government party. However, observers note: It is only the unifiers and the

compromisers who consider themselves to be Chernomyrdin's party. He just allows them to support him, but prefers not to pay them back for this. Unless with posts of vice premier.

Chernomyrdin's Team: Characters and Performers

Viktor Stepanovich likes to repeat at every convenient opportunity that the current Russian Government is a coalition government. In actual fact there can be no question of a coalition government. In practical terms only one team—Chernomyrdin's team—is on the field of play.

Chernomyrdin inherited an extremely mixed cabinet at the end of 1992. It included Yeltsin's men: Lobov, Shumeyko, Shakhrai. And the fragments of Gaydar's team: Chubays, Pamfilova, and also Shokhin at that time. Then Gaydar himself appeared too. Fedorov—a team in himself—was also here.

At that time, Yeltsin protege Oleg Lobov presented the greatest danger for the new premier—he was urgently trying to reform the Ministry of the Economy a la Gosplan and to lay his hands on economic policy. Chernomyrdin dealt with him first. Another first vice premier, Oleg Soskovets, who had previously vegetated in the post of vice premier of an almost foreign country—Kazakhstan—was brought in to counterbalance First Vice Premier Lobov. Chernomyrdin almost begged Yeltsin for permission to bring just one of his own men into the government. The request looked entirely proper. After all, the new premier did not bring in with him any potentially dangerous representatives of the extremely powerful oil and gas lobby, which would doubtless have been assessed as outright protectionism.

At the same time, it should not be forgotten that Soskovets's candidacy emerged on Chubays' initiative. And at first the new vice premier was fairly close to the representatives of those who were called reformers in the government, and he supported their policy. Suffice it to say that thanks primarily to Soskovets the price of coal was deregulated. All this fully suited Yeltsin. It was said that the president gave the new vice premier certain signs of attention and even made certain overtures toward him.

The premier tolerated this for a while. For him enemy No. 1 was Lobov. In the end, Yeltsin's overzealous protege in terms of Gosplan-style reformism was nevertheless finished off. Not without the help of the government promarket lobby and the democratic press. Thereupon he was removed from the economy, but entirely decorously and honorably: He was unloaded into the Security Council.

At a different time, but also entirely decorously, Yeltsin's remaining men were removed from the government. Shumeyko found himself in the Federation Council, not least thanks to the efforts of Chernomyrdin and Soskovets, who had done some good work with the deputies. But they did not remove Shakhrai, or Shokhin

either. These men simply left the teams in which they had started their political game and became full members of Chernomyrdin's team.

Incidentally, one story is that Shokhin was elevated so as to counterbalance Soskovets, who was casting glances here and there and who was thus told: Man proposes, God disposes. That is, the premier disposes. And by and large, the elevation of Shokhin is a highly successful acquisition for Chernomyrdin and Kvasov. Appointed to "Gaydar's post," that is, the post of the person responsible for economic policy and reforms—the professor and doctor of economic sciences is very good for diluting the strictly technological company of typical sector workers. And furthermore, he symbolizes a representative of the first draft of reformers, which is very convenient for the premier.

And as for the so-called radical promarket lobby, Chernomyrdin dealt with them after October 1993, once he had perceived his own strength. Strictly speaking, no one chased Gaydar, Fedorov, and Pamfilova out of the government. All were offered posts. But, being young and ambitious,—and that is precisely the reason for what happened—they went too far; the posts no longer suited them, you see, and they wanted to dictate terms.

Meanwhile, analysis of Chernomyrdin's cabinet's subsequent economic policy brings to mind the fact that the reason for Fedorov and Gaydar's departure was by no means fundamental differences of opinion with the premier in terms of views of the course of economic reforms. Judging by the Chernomyrdin-approved expenditure in the 1994 budget, Viktor Stepanovich turned out to be no less tough a "monetarist" than those from whom he had distanced himself. It is just that the premier evidently prefers to have one center in the government from which all decisions are initiated.

As a result, the government formed by Chernomyrdin assumed a completely organic character. It is headed by a single leader, respected and recognized by all his subordinates. He is not without charisma either: He knows how to say things in such a way that people listen to him and receive things at a psychological and emotional level. Following the memorable speech uttered at the enlarged government session which mentioned heads of laboratories and the racing car, Chernomyrdin will even be forgiven for the tough budget. For the time being, of course.

All decisions in the government are adopted exclusively by the premier. Or more precisely, by the Chernomyrdin-Kvasov duo. The leader of the apparatus—the second man in the government—has enormous power. Not one piece of paper is placed on Viktor Stepanovich's desk without his knowledge.

Vladimir Kvasov has worked with Chernomyrdin for many years. He has always been a retinue figure: chief of office, assistant, leader of the apparatus.... In short, an eminence grise. The premier trusts Kvasov completely. And the latter knows all the ins and outs of apparatus

reshuffles and skillfully conducts a cadre policy that is advantageous to the premier. Whoever Kvasov recommends, that person is taken on. The only exception has been Anatoliy Chubays.

Foreign Body

Today Chubays is the only man in Chernomyrdin's government who is not on Chernomyrdin's team. Appointed directly by the president over and above the approved vice premier TO, Chubays is in this government only until check privatization is completed. What then?

Chernomyrdin will most likely try to get rid of him. It is said that he has already attempted to remove two deputy chairman of the State Committee for the Management of State Property [Goskomimushchestvo]—Vasilyev and Mostovoy—and put his own people in the posts in order to thus "neutralize" the head of the department. This did not work out, however. Chubays proved to be a tough nut, and Chernomyrdin and Kvasov broke their teeth on him.

But they will scarcely tolerate him for long. The chairman of Goskomimushchestvo is too bright a figure, he is too promising and ambitious a politician. You need an iron grip to hold on for two years to the process of the division of property in the vast Russian state and to bring this division to a logical conclusion (and it is all going that way). And so (particularly in Chernomyrdin's eyes) Chubays is the only person in the government after the premier who has a certain amount of influence on the president.

Obviously, the future of the Goskomimushchestvo chairman depends on the president's political fate. However, Chubays is capable of standing up for himself. Today his department is fighting with all its might to strengthen its positions in the postprivatization process. If Goskomimushchestvo succeeds in taking enterprise bankruptcies and economic revival under its control, then Chubays' influential position in the government will be secure. However, even today the Ministry of the Economy is disputing these functions with Goskomimushchestvo. No doubt the full might of the government apparatus will stand behind Shokhin in this conflict.

Lobbyists in the Government: Who Wins?

One of the most powerful lobbies—the oil and gas lobby—is represented in the government by the premier himself. To a significant extent the oil and gas workers form the budget. And what is also important is that they have their own finances which they can use. That is probably why Chernomyrdin is seeking to prevent his potentially influential old friends from Gazprom getting too close.

But it is the agrarians who are the most active today in obtaining money for themselves, because they are able to apply pressure at all levels: in the government, in the Duma, and through the mass media. This lobby is also

strong in that it has easy access to the premier through its protege Aleksandr Zaveryukha.

Oleg Soskovets, who in his time has worked both at the Karaganda Metallurgical Combine and in the post of USSR minister of nonferrous metallurgy, represents the interests of the "coal-metal" bloc lobbyists. The defense industry workers have also recently slipped under the Soskovets wing, inasmuch as they do not have a single serious figure in the government by way of their own direct spokesman. The military-industrial complex lobby is generally one of the weakest. The attitude toward defense industry workers is one of sympathy, but without the due respect. This is yet again confirmed by the fact that during the formation of the 1994 budget the spokesmen for the military-industrial complex failed to obtain an additional morsel at the expense of other sectors.

Obviously, all the aforesaid lobbies, as well as their spokesmen, are doomed to constant confrontation with each other amid the struggle for survival.

This situation suits Chernomyrdin as a politician and as supreme arbiter. The state of confrontation will neither allow one specific leader to become stronger or several to cobble together a stable anti-premier coalition. For instance, in the fight against increased prices of fuel and energy complex output Soskovets and Zaveryukha could constitute a fairly powerful alliance. But this alliance would never stand the test of the division of the budget pie.

In this context, Chernomyrdin's desire to keep Acting Minister of Finance Sergey Dubinin in a state of suspension seems entirely sensible. After all, the person who hands out the money has considerable influence on the disposition of forces in the political arena. Last year Boris Fedorov was this man, and this could not have particularly pleased Chernomyrdin. Now this man is indubitably the premier himself; he is in complete control of the Ministry of Finance.

As for the regional elites, these do not have any recognized lobbyists in Chernomyrdin's government at the moment. Maybe some of them are still inclined to back Shakhrai. But, if they want to achieve something, the majority of local leaders resort to pooling their own efforts. Or they quite successfully go to the president in secret.

But the premier himself possibly monitors the moods of the territories through his vice premier, Yuriy Yarov. Yarov has been involved in party and soviet work for years. In Chernomyrdin's government he is formally responsible for social policy, but at the same time he conducts all kinds of closed talks with the regions. Obviously, Chernomyrdin has reason to trust this taciturn and complaisant deputy more than Sergey Shakhrai with his indefatigable political ambitions and pro-Yeltsin past.

However, Yarov was probably appointed to the post of vice premier not least thanks to the curious fact that he

ran for deputy from the "Russia's Choice" bloc. And thereby gave the premier who elevated him the possibility of maintaining the illusion of a coalition government.

Editor Refuses To Name Article's Author, Sources

PM1904103994 Moscow ROSSIYSKAYA GAZETA in Russian 16 Apr 94 First Edition p 1

[Letter from ROSSIYSKAYA GAZETA editor N. Polezhayeva to Moscow Prosecutor G.S. Ponomarev: "Witness' Testimony"]

[Text] I, Natalya Ivanovna Polezhayeva, chief editor of ROSSIYSKAYA GAZETA, have received a summons from the Moscow prosecutor's office demanding that I appear before investigator Leontyeva for questioning as a witness. I know very well I have not witnessed any crime and so I naturally asked Mikhail Ivanovich Slinko, chief of the department for the investigation of banditry, in what connection and on what basis I was being summoned.

It turned out it was in connection with the 12 April publication in ROSSIYSKAYA GAZETA of the article "Between the Criminals and the Bureaucrats.... Who Needed Otari Kvantrishvili's Death?" They wanted to find out from me the name of the author and the source of the information.

I do not think that interrogation is needed for these questions. An official request was enough, which had been suggested. But M.I. Slinko, citing some article in the Criminal Code, promised to draw up a compulsory court attendance order.

In order not to waste my own working time nor that of the prosecutor's office workers, I have taken the liberty of printing my testimony in the newspaper.

In accordance with article 41 of the Russian Federation law "On the Mass Media," "the editorial office is obliged to keep secret its source of information and does not have the right to name a person supplying information on condition he is not named, except for a case when relevant demand has come from a court in connection with a case with which it is dealing."

In this case the author must maintain anonymity a condition for the purposes of his own safety. In this connection I cannot give the author's name or the source of the information. But I assure you it was obtained from officials of the Ministry of Internal Affairs and the editorial office has no doubts about it.

[signed] Witness N. Polezhayeva

Yeltsin 'Personal Diary' To Appear in May

PM1904081994 Moscow ROSSIYSKIYE VESTI in Russian 16 Apr 94 p 3

[Unattributed report in the VEKHI section: "Boris Yeltsin's New Book"]

[Text] Boris Yeltsin's new book "A President's Notes" [Zapiski Prezidenta] will appear in the bookstores in Russia and in more than 30 other countries in May.

"This is a large book," Lev Gushchin, the chief editor, stressed, "with over 400 pages and 100 color photographs. It is written in the form of the president's personal diary and covers the events from the dramatic August of 1991 to the tragic October of 1993. Descriptions of the events are interspersed in the book with Boris Nikolayevich's reflections on the paths of Russia's development and transformation, portraits of political figures and those people with whose lives the country's destiny became interlinked at that difficult period."

"It would be no mistake," Lev Gushchin noted, "to say that the many facts and assessments contained in the book are really sensational and that many of the riddles and mysteries of recent years are logically answered here. But to be frank it is the tone the 'Notes' which is most impressive. This is perhaps the first time that we have encountered a text which is so personal, candid, and at times merciless toward the author and others, a text penned by a member of the country's top leadership."

Gorbachev Compares Policies to Khrushchev's 'Thaw'

LD1804105494 Moscow ITAR-TASS in English 0958 GMT 18 Apr 94

[By ITAR-TASS correspondent Tamara Ivanova]

[Text] Moscow April 18 TASS—Former Soviet President Mikhail Gorbachev compared his "perestroika" which was aimed to reform the Soviet totalitarian system to the liberalisation of his predecessor Nikita Khrushchev, often called as the "thaw", which exposed and condemned the personality cult of Joseph Stalin and introduced limited freedom in the country. Gorbachev also admitted that he knew he could be ousted like Khrushchev. Khrushchev was toppled in 1964 after his reformist plans caused a major opposition from hard-line communist party nomenklatura.

"We remembered the experience of Khrushchev, but we underestimated the reactionary forces of the past", Gorbachev said addressing a conference devoted to the 100th birth anniversary of Khrushchev which opened in the Gorbachev Foundation on Monday. He added that yet in 1987, two years after perestroika began, "the people who started the transformations realised that the fate of Khrushchev was in store for them". Gorbachev had to step down after his communist elite staged a coup against him in August 1991 which resulted in the collapse of the Soviet Union.

The former Soviet leader stressed that Khrushchev had a great influence on all the Soviet reformers. He compared his perestroika to Khrushchev's "thaw" and said that the latter failed because the new policy was implemented by old methods. "Problems of immense historic importance cannot be solved by Bolshevik methods", Gorbachev said.

Khrushchev Lauded as True Socialist, Democrat*PM1904094594 Moscow PRAVDA in Russian 16 Apr 94 p 1***[Boris Slavin report: "Fight for Khrushchev's Legacy"]**

[Text] Tomorrow is the centenary of the birth of Nikita Sergeyevich Khrushchev, the famous reformer of socialism. The positive significance of his activity is growing as people become more aware of the socioeconomic catastrophe which Russia is experiencing today because of the destructive work of the so-called democrats.

In order to camouflage and justify the "fruits" of this work, they are turning to history. Thus, at a conference yesterday in the Hall of Columns, they tried to find appropriate analogies and parallels with N.S. Khrushchev's activity for themselves. Opening the conference, G.Kh. Popov, appealing for objectivity in the assessment of this historical figure, stated straight away: "Khrushchev was a distant relation of our transformations."

However, the main "reassessor" was the unsinkable former CPSU ideologist, now the ideological mentor of the "democrats," A.N. Yakovlev. In his report, he first called Khrushchev "the Bolshevik Aleksandr II," and then the forerunner of the contemporary "spiritual breakthrough." Admittedly, as usual it was hard to grasp the main idea of the report. But there was one. And it consisted in presenting Khrushchev as a Utopist who was hoping to reform the essentially unreformable socialist system.

However, the interesting thing is not what Yakovlev said about Khrushchev, but what he did not say. And he did not say that unlike the current democrats, Khrushchev was a genuine people's socialist. This man with a peasant's face built homes for the people, created a structured system for the provision of state pensions, helped launch the first man into space, and averted the aggression against socialist Cuba. Of course, Khrushchev was a multifaceted figure in history. Popular memory will preserve his corn-planting campaigns, and his desire to build communism and "bury capitalism" in 20 years, but nevertheless, this man was a creator rather than a destroyer.

Stalinists and democrats are united in their desire to turn Khrushchev into the digger of socialism's grave, but they will not succeed. Khrushchev will remain in people's awareness as a genuine democrat who dreamed of really giving socialism back its human face. And sooner or later this dream will come true.

North Siberian Population Decline Forecast*PM1904083194 Moscow ROSSIYSKAYA GAZETA in Russian 16 Apr 94 First Edition p 2***[Unattributed report: "Northerners Have Drifted South"]**

[Text] The total reduction in the population of North Siberia through migration will be over 600,000 by early 1996 and over 550,000 over 1996-2000. That is the forecast of a group of Novosibirsk scientists.

The migration is caused primarily by the reduction in the demand for manpower in connection with the reduction in oil and gas extraction and a marked reduction in capital investments in the extracting sectors. Among those leaving the North a considerable proportion are citizens of nearby foreign parts returning home. The intensive departure of highly qualified specialists and young people has been noted.

The migration of the population from northern regions also has positive consequences. People's departure is lowering the level of unemployment and reducing the load on the socioconsumer infrastructure. But scientists note that spontaneous migration will not radically resolve the question of the overpopulation of North Siberia. A considered state policy is needed in this process.

State Intervention Urged Over Population Decline*PM1904104194 Moscow PRAVDA in Russian 16 Apr 94 p 1***[Unnamed ITAR-TASS correspondent report: "Fewer and Fewer Children. We Are Getting Old"]**

[Text] In 1993 the country's population fell by 300,000, and 1 million fewer Russians were born than in 1992. If this trend persists, the population of the Russian Federation will have halved in 50 years' time. And half of the country's inhabitants will be pensioners. An ITAR-TASS correspondent was told this at the Russian Academy of Sciences' Sociopolitical Research Institute.

Steady depopulation has been recorded in 68 regions, which are home to 93 percent of the entire population. Natural growth persists in the republics of the North Caucasus, Kalmykia, the Altay, Tuva, Yakutia, Chukotka, and in Tyumen and Chita Oblasts. This depopulation is the result not only of a wholesale fall in the birth rate, but of increased mortality. Life expectancy has fallen by 18 months; in the period 1989-1993 it fell by 0.7 of a year for women and by 2.2 years for men. A special feature of the situation in Russia is the unusually high death rate from accidents, poisonings, and injury. Average life expectancy for Russian men is 62; women outlive them by almost 12 years.

The scale and nature of this phenomenon require not just the stating of the fact, but direct state intervention.

'Alarm' Over Vypfel Security Group Initiative*PM1904085594 Moscow IZVESTIYA in Russian 16 Apr 94 p 2***[Valeriy Yakov report: "Staffers of the 'Vypfel' Group Are Together Again"]**

[Text] The process of the transfer to the Ministry of Internal Affairs of the facilities, the hardware, the armament, and what little remained of the personnel of the former "Vympel" special group has been completed (IZVESTIYA has written of this twice recently—Nos. 34 and 41). The unusual subunit has ceased to exist in its former capacity, and its staffers have ended up under various "roofs." So as not to lose the ties, the mutual understanding built up over the years, and the mutual assistance, the group's officers have decided to reunite.

The initiative has come mainly from those who have retired and who are filling out their pension documents. They have proposed setting up the Fund for the Social Protection of "Vympel" Group Staffers and inviting to participate in the fund all who have ever served in this subunit. The idea has been supported by many "Vympel" staffers, including those who have gone to serve in other structures. The founding document has been registered in accordance with the procedure laid down, and a search is now being conducted for premises to house the headquarters. On learning of the fund's creation, some firms and organizations at once started offering their services—with premises and transport. But the "Vympel" staffers are in no hurry to make their choice.

Nor are they as yet entirely clear about their future commercial activity. Everyone realizes right from the start that it will be necessary to earn money, and nobody in the fund entertains any illusions that some sponsor will give selfless assistance. One small thing is lacking—a decision on how they can earn money.

The special group's former staffers intend initially to provide consultative services to respectable commercial organizations and state structures, suggesting how best to guard themselves against industrial and economic espionage and terrorist activity. They will also be able to indicate vulnerable points in the already developed systems of security measures of any firms and organizations and to make recommendations on methods for checking out future partners, including foreign ones.

The group's former staffers intend to use the funds earned to support the families of their comrades who died in Afghanistan, for those injured while fulfilling various assignments, and for all "Vympel" veterans who need assistance.

The creation of the fund has hardly been publicized anywhere, but this idea has created obvious alarm and displeasure in certain high offices. And this, I believe, is perfectly explicable—all the conditions for the breakup of the group were not brought about merely so that its staffers might once again come together in a single team which would no longer be subordinate to anyone and would live according to its own regulations.

Military & Nuclear Issues

Nuclear Waste 'May Be Dumped' in Sea of Japan

LD1904063694 Moscow ITAR-TASS World Service in Russian 0600 GMT 19 Apr 94

[By ITAR-TASS correspondent Leonid Vinogradov]

[Text] Vladivostok, 19 Apr (TASS)— The liquid radioactive waste from Russian Pacific Fleet submarines may be dumped in the Sea of Japan, because it can't be disposed of otherwise at present. Tankers, anchored at the moorings of "Zvezda" works, are filled up to the rim with the waste and cannot take new deliveries of the dangerous shipment. This was stated today to an ITAR-TASS correspondent by Vladimir Ignatenko, the Russian presidential representative in the Maritime Kray.

He said that the government should have allocated funds for building a waste processing installation. However, not a single ruble has been earmarked for this purpose as yet. In the meantime, one tanker with 794 tonnes of waste on board urgently needs repairing. So, one should either stop the works, in order to [word indistinct] the already critical mass of the radioactive liquid accumulated here, or dump the liquid in the sea. But this can't happen unless agreed by the Russian president, Vladimir Ignatenko said.

Russian Waste Not Raising Japan Sea Radiation

LD1804130794 Moscow ITAR-TASS in English 1233 GMT 18 Apr 94

[By ITAR-TASS diplomatic correspondent Nikolay Geronin]

[Text] Moscow April 18 ITAR-TASS—The area of the Sea of Japan in which the Russian Pacific Fleet dumped some of its radioactive wastes does not show above-normal levels of radioactivity, according to preliminary data released by a joint Russian-japanese-South Korean expedition which just finished studying the area.

Russian Naval Captain Gennadiy Vorobyev, deputy head of the radiation and chemical security department, told ITAR-TASS on Monday that during the month-long expedition, Russian, Japanese and South Korean scientists took samples of sea water from their base onboard the research ship "Okean", which belongs to the Russian federal hydrometeorology and environmental monitoring service.

The expedition's work was prompted by the worries of several countries in the region that the dumping of radioactive materials in the Sea of Japan by the Russian Pacific Fleet in October, 1993, might lead to higher radiation levels.

Plan To Divide Defense Ministry, General Staff

*MK1904080094 Moscow MOSKOVSKIY
KOMSOMOLETS in Russian 19 Apr 94 p 1*

[Dmitriy Kholodov report: "The Secret of the President's Safe. 'Tanks Advance by Two to Three Men'"]

[Excerpt] [Passage omitted] As MOSKOVSKIY KOMSOMOLETS has learned from reliable sources, a new military reform plan is already lying in the president's safe. In this context, military experts suppose that in the very near future the question of separating the Defense Ministry from the General Staff will be raised again. There are also indications that the plan provides for the creation of a powerful ideological body like the old Main Personnel Directorate [Glavpur]. Former presidential military adviser Gen. Volkogonov and Gen. Vladimirov, the Yeltsin team's main analyst on military affairs, are cited among the document's authors.

The new plan has been attributed such a high security classification (a stamp saying, "Burn before reading" [as published]) that even some members of the Security Council do not know about it yet. Still, signs are that many do not know how current reforms are proceeding in the army either.

Even people in the Defense Ministry itself do not know. Generals from the Defense Ministry, who only a month ago were talking about a "phased" reform plan, are now reminiscent of hedgehogs wandering in the fog [reference to a popular animated cartoon]. Now the Defense Ministry discusses the disbandment of the Baltic Fleet, ruling to preserve it. Now they effectively abolish the Air Defense Force, having the public believe that the troops will remain. It is also reported that the main commands will be abolished, for instance the Main Ground Force Command. In brief, as has always been the case with military strategists, "tanks advance by two to three men."

Gen. Vladimirov, whom we asked to comment on the rumor about the new reform plan, confirmed that "conceptually, no one understands which reform the Defense Ministry is now pursuing." He is convinced that the ministry should be separated from the General Staff. In Russia, frequent changes of government and therefore defense ministers are simply inevitable. According to Aleksandr Vladimirov, the army must be safeguarded from this leapfrog approach, and the General Staff given the right to issue orders directly to the troops.

Economic Issues**Chernomyrdin Visits Petersburg Enterprise**

*LD1804181694 Moscow INTERFAX in English 1613
GMT 18 Apr 94*

[Text] Chairman of the Russian government Viktor Chernomyrdin completed a two day working trip to St.

Petersburg where he delivered a speech at an annual meeting of the EBRD Council of Managers and visited a number of enterprises.

On Monday Chernomyrdin visited one of the major joint-stock enterprises in St. Petersburg—the Kirov plant. Near the plant he was met by a picket organized by the local independent trade union, whose participants demanded that the plant be able to work without interruption. As Interfax learned at the managing board of the plant, the Kirov plant has not been working full working weeks, and in some workshops there are cases of delayed payment of wages.

At a meeting with plant officials Chernomyrdin promised to grant financial aid to the Kirov plant and supported plans of the directorate to launch production of modern equipment for gas-pumping stations on the basis of German technology, as well as equipment for gas and steam-turbine electric power stations.

Chernomyrdin suggested that plant officials consider producing a new modern bus meeting Russian requirements in cooperation with the KAMAZ automobile maker. On Monday evening Chernomyrdin will return to Moscow.

Discusses Need for Investments

*LD1804195894 Moscow ITAR-TASS in English 1919
GMT 18 Apr 94*

[By ITAR-TASS correspondent Lyudmila Fomicheva]

[Text] St. Petersburg April 18 TASS—"The holding of the third session of the board of governors of the European Bank of Reconstruction and Development in St. Petersburg has enabled the bankers and financiers from all over the world to see that the process of economic and political reforms in Russia is irreversible," Russian Prime Minister Viktor Chernomyrdin told ITAR-TASS on the eve of his departure by plane to Moscow.

He expressed hope that after Western investors familiarized themselves with the situation in Russia and talked with Russian financiers, entrepreneurs, they would boldly enter the Russian market.

According to Chernomyrdin, St. Petersburg may be a center of banking and tourism. The prime minister met with St. Petersburg Mayor Anatoliy Sobchak to discuss investments, easy taxation, subway construction, repairs of the bridges and social aspects. When commenting on his visit to the Kirovsky Works joint stock company, Chernomyrdin described as "intolerable" the fact that qualified workers had to spend two or three months on "forced" vacation.

"This is what hidden unemployment is about. The works has turned out machinery, but Kazakhstan will not buy it. It has developed and is now ready to produce mining and gas-extracting equipment, but it lacks funding. The works is prepared to turn out buses, which are in high

demand both in the city and the country. Within the next few weeks, the Russian Government will consider the relevant issues and (take care) to enable such a giant as the Kirovsky Works to function to the best of its capacities by taking the course of conversion," concluded the prime minister.

Chubays Confident in Privatization Program

LD1904000694 Moscow *ITAR-TASS World Service in Russian* 1626 GMT 18 Apr 94

[By *ITAR-TASS* correspondent Sergey Oleynik]

[Text] St. Petersburg, 18 Apr—"It may be confidently asserted today that mass privatization in Russia will be completed by 30 June and, moreover, it will be completed successfully," Anatoliy Chubays, vice-premier and chairman of the State Committee for the Management of State Property (*Goskomimushchestvo*), said. He was speaking at a news conference which was part of the third annual sitting of the board of governors of the European Bank for Reconstruction and Development which opened in the Taurida Palace today.

The vice-premier cited a number of figures to corroborate his optimistic forecast. According to data from the state property committee, more than 50 percent of the gross national product is currently being produced by the non-state sector. By 1 July, 70 percent of industrial enterprises will be in the hands of private individuals, predominantly in the form of joint stock companies. Forty million Russians have become shareholders in various enterprises as a result of cheque privatization.

"We have solved the problem of attracting people to ownership, the second stage of lifting state control over the economy and attracting money to the privatized enterprises is now beginning," Chubays stressed. "The second stage of privatization will begin on 1 July, based on monetary demand. This will enable us to resolve the important issue of the influx of investment into the Russian economy."

The chairman of the state property committee also reported that—by a decision of the Russian Government - he and government Deputy Chairman Aleksandr Zaveryukha had been given responsibility for carrying out the privatization of land. A draft program for this would be drawn up on the basis of experience in Nizhny Novgorod Oblast and would be presented for consideration by the government of Russia in two months time.

Importers Win Concession on Customs Tariffs

PM1804143594 Moscow *ROSSIYSKIYE VESTI* in *Russian* 16 Apr 94 p 1

[Unattributed Commentary: "Government Amends Own Decision on Import Duties"]

[Text] Having heeded the voice of the business world, the majority of which spoke out against the hasty and

sudden imposition of customs import duties, the government has adopted a decision which somewhat amends Decree No. 196, which has become well known throughout the country. The essence of the amendments is as follows. Import duties on goods which have not been increased when compared with previous rates are to operate from 15 March. But those which have risen will not go into force until 1 July. This means that importers who concluded contracts before 15 March have been given a breathing space.

This is the response to the complaint of businessmen buying goods abroad for the Russian consumer who have rightly criticized the authors of the decree for the fact that importers were not forewarned of the planned changes and could not prepare for them. Meanwhile, an amendment to the law on customs tariffs is now being examined which will envisage that after a decision on the imposition of new duties, importers are to be given at least 90 days to adapt to the changed conditions.

Before the end of the year it is planned initially to reduce a number of customs duties which exceed 30 percent of the customs value of certain commodities. This government intention is in keeping with the GATT requirement for an average world level of rates no higher than 7-8 percent, whereas the rate in our country currently exceeds 14 percent.

Chernomyrdin Decree

PM1804131794 Moscow *ROSSIYSKIYE VESTI* in *Russian* 16 Apr 94 p 1

[Decree No. 318 of the Russian Federation Government signed by Russian Government Chairman V. Chernomyrdin and dated Moscow, 14 April 1994: "Questions of the Customs Tariff Regulation of Foreign Economic Relations"]

[Text] The Government of the Russian Federation resolves:

1. In partial amendment of Russian Federation Government Decree No. 196 of 10 March 1994 "On the Approval of Rates of Customs Import Duties" (*SOBRANIYE AKTOV PREZIDENTA I PRAVITELSTVA ROSSIYSKOY FEDERATSII*, 1994, No. 11, p. 863), subparagraph one of paragraph one of the aforementioned decree shall read as follows:

"1. To approve the rates of customs duties with regard to goods imported into the customs territory of the Russian Federation (hereinafter known as rates of customs import duties) according to the appendix and to enforce them:

"for goods with regard to which rates of customs import duties are not to be increased—from 15 March 1994;
"for other goods—from 1 July 1994."

2. The Russian Federation Ministry of Foreign Economic Relations, the Russian Federation Ministry of Finance, the Russian Federation Ministry of the

Economy, the Russian Federation State Customs Committee, and the Russian Federation State Committee for Antimonopoly Policy and Support for New Economic Structures are to elaborate and present to the Government of the Russian Federation no later than the third quarter of 1994 proposals on stepping up interdepartmental coordination in the preparation of materials on the establishment and amendment of rates of customs import duties and also on a plan for their phased reduction as the position of Russian commodity producers strengthen when judged by internationally accepted practice. To envisage the priority reduction before the end of 1994 of groups of commodities [tovarnaya pozitsiya] for which the established rates of customs import duties exceed 30 percent of customs value.

[signed] V. Chernomyrdin, chairman of the Russian Federation Government.

Documents on Dismantling Collective Farms

PM1804135194 Moscow IZVESTIYA in Russian 16 Apr 94 p 2

[Valeriy Konovalov report: "New Ideas for Our Peasants, Or the New Way Is the Completely Forgotten Old Way"]

[Text] IZVESTIYA has received a package of documents that have been prepared for signing. They are an edict of the president, a government decree, and statutes on reorganizing agricultural enterprises and breaking them up into smaller units. The draft documents have been initiated by many top leaders involved in agrarian problems and privatization. One of the drafts has been referred back for revision, while others have apparently already been fully agreed and will be published in the near future.

What do they mean for agrarian reform and the peasants? The main idea is to break farms up into smaller units, which is a fairly popular idea among rural reformers at grassroots level. For instance, my close acquaintance Viktor Gulov, a peasant whom we have often written about, is convinced that it is possible to arrive at real private farming from our kolkhoz reality by a simple arithmetical path—by dividing farms up into as small units as possible, thus getting down to family farming. The mechanism for this kind of division into the smallest units has been provided by the Nizhniy Novgorod experiment of collective farms being redivided into joint-stock enterprises. It is no accident that the Russian Federation government decree on the practice of agrarian transformations in Nizhniy Novgorod Oblast occupies a very important place in the package of documents.

All the indications are that the idea of breaking farms up into smaller units as a method of fighting the kolkhoz

system has also inspired the Analytical Center for Socio-economic Policy under the Russian Federation President's Administration. It was from this center that the aforementioned draft documents were issued.

It is a thankless task to explain what is in the draft documents, since they are being subjected to revision, further work, and so on, and even complete changes of meaning. I will merely note that there is a principle of compulsion in these documents. If an agricultural enterprise does not want to be broken up into smaller units, then, according to the draft edict, this will be done for it.

It is pointless to dispute the idea of breaking farms down into smaller units. First of all, this has already happened. And the kolkhozes which were made smaller did not stop being kolkhozes. Second, what is there to dispute: Of course, a smaller collective is more mobile, and it is better suited to the market. But it would be more convenient for it to solve the problem of its own size than to have this done on orders from Moscow.

And what is to happen now to the agricultural enterprises which have already been turned into joint-stock enterprises and which see themselves as proprietors, even major proprietors? Why should they be subjected to the dictates of the capital and be divided up if they do not want this? Of course, on a broad level, the breaking up of agricultural enterprises may be advantageous. However, for the course of agrarian reform and for the peasants, the future documents may also prove to be a destabilizing factor.

The countryside is waiting for something entirely different. A law on agricultural cooperatives, the organization of a land market, a system of mortgage banks, a targeted financial policy, and so on. Instead, a new wave of reorganization is approaching, maybe with some sense to it, but in no way replacing the changes which the Russian countryside is expecting.

Labor Minister on Socioeconomic Problems

PM1504104194 Moscow ROSSIYSKIYE VESTI in Russian 14 Apr 94 p 5

[Interview with Gennadiy Melikyan, Russian Federation minister of labor, by POSTFACTUM; place and date not given: "Social Policy Must Not Be the Hostage of Political Speculation"]

[Text] [POSTFACTUM] Gennadiy Georgiyevich, the Russian president's message to the Federal Assembly speaks of the need to reduce the social costs of the policy of reforms. Yours is a key ministry in the social sphere. What do you see as the way to resolve this problem?

[Melikyan] Strictly speaking, this is our main task, and it was for this that our ministry was created. In 1993 we succeeded in preventing a further fall in the living standards of the bulk of the population and in avoiding mass unemployment. And yet we cannot speak of any turning point or the start of one. The production slump is intensifying, and stoppages of enterprises and their

transfer to a reduced work week are assuming an increasingly mass nature. The growth in nonpayments and the lack of funds in enterprises' accounts have led to a sharp increase in delays over paying wages. It is natural that all this displeases and alarms people and creates social tension. It will be no exaggeration to say that the situation in the social sphere is close to being a crisis situation.

[POSTFACTUM] Does this mean that there are no conditions today for implementing an effective social policy?

[Melikyan] If I thought that, I would make a proposal to abolish the ministry as being useless or at least tender my resignation. It is possible and necessary to elaborate a policy, but a realistic policy. People both at the top and at the bottom must be clearly aware that there are no miracle-working prescriptions for a rapid and substantial improvement in people's lives. This is above all because society's objective potential and the actual resources which can be used for these purposes have diminished. Until the production slump ends and we surmount the economic crisis, the public loaf will merely diminish in size, not increase.

Second point. I do not want to say that the ministry is doing everything it can. We have let slip a great deal and been slow to implement a number of measures. At the same time far from everything depends on us and our work. The resolution of the problems of incomes, employment, and working conditions is determined, in the final analysis, by the overall economic and financial policy that is implemented.

Therefore I would formulate as follows my present credo as the minister responsible for a certain area of social policy. First, not to set myself unrealizable goals, not to make promises I cannot fulfill. But to strive for the maximum within the framework of the actual potential and the decisions adopted. Second, to be sure of real, not declarative support for the social measures being taken on the part of the president, the government, parliament, and the organs of power of the republics, the krais and oblasts, and the autonomous entities. Social policy must not be the hostage of political speculation and intrigue or of egotistical regional or corporative interests.

We are convinced that in the present grave economic situation the emphasis in social policy must be placed on effective actions in several very important areas that are capable of producing a tangible return within a short time. We have put corresponding proposals to the government. They have been approved in principle. We are now working on specific documents—draft laws, government decrees, and presidential edicts.

[POSTFACTUM] Which drafts, specifically, do you mean?

[Melikyan] I will name those that seem most significant. We propose to curb growth in the labor remuneration fund or the consumption fund at enterprises which have wages that exceed the average for industry. I emphasize:

curb, not freeze, and introduce this measure temporarily, in conjunction with other measures to suppress inflation and to overcome disproportions in labor remuneration.

Further, we propose to introduce a mechanism for curbing growth in the prices of certain most important foodstuffs—above all, bread, milk and certain dairy products, and meat products, with the exception of delicatessen ones.

We deem it expedient to take control of the present practice whereby leaders of state enterprises and of joint-stock companies with state participation receive wages that are exponentially higher than the average wage for the enterprise. The difference can be of the order of 10 times or more, including at enterprises whose financial position is far from good. This rightly displeases working people. The ministry prepared a draft decree "On the Terms of Labor Remuneration for Leaders of State Enterprises on the Conclusion of Agreements (Contracts)." V. Chernomyrdin, chairman of the government, signed our draft. So this payment procedure is coming into force.

One of the most "explosive" social problems today is probably that of the delays over paying wages. Before the system of mutual transactions in the national economy is regularized, we propose introducing a calendar sequence of payments, with the exception of wages. These are to be paid by way of a top priority at the rate of up to six times the minimum wage. In the event of a delay in the payment of wages, the labor collective or the trade union has the right to raise the question of dismissing the leader from his post.

In addition, we have prepared a number of documents aimed at increasing the monetary incomes of the employed population. These are draft laws on the minimum living wage and on indexation of the minimum wage and a draft government decree on increasing the labor remuneration of working people in the budget-funded sphere.

In our country, incidentally, budget-funded working people made up the bulk of that category of the population which lives below the poverty line. This is borne out by the fact that when we at last began paying indexed wages to working people in budget-funded sectors in February, the proportion of the poor population fell from 34 percent (data for January this year) to 17 percent, i.e. it was exactly halved. It turns out that those on low incomes are budget-funded working people and some pensioners.

Finally, before the Law on the Minimum Living Wage is adopted, the authorities in the components of the Federation and organs of local self-management are to be recommended to emulate the experience of Nizhny Novgorod, Voronezh Oblast, and the city of Moscow and put into practice a system of targeted assistance for the most needy citizens.

[POSTFACTUM] One gets the impression that far from everyone will support your plans. Some will criticize you

for proposing antimarket measures, others for the fact that your proposals will entail an increase in inflation.

[Melikyan] We propose to regulate monetary incomes and prices by economic means, not administrative ones, so there is nothing antimarket here. This is the usual practice in any countries where the state seeks to regulate economic life and not to avoid this. This is the practice in countries which we so like to call civilized.

Now about the inflationary effect of the proposed measures. I believe that growth in the money supply should not be limited all the time. Restrictions on demand, i.e. a reduction in the demand for output owing to a lack of money, depress production itself, particularly consumer goods production. The limitation of monetary incomes should not be made an end in itself, but their growth should simply be regulated.

In general, I am a committed supporter of the idea that the best means of social protection for the able-bodied section of the population is to create conditions so that people can earn. The whole country must not be turned into a social security department, when the population puts its trust not in its own qualifications, activity, and initiative but in social benefits.

In addition, the argument over the consequences of our indexation proposals is of an abstract nature at present. We proposed starting the new stage of indexation in March, but this has not happened, although the leadership realizes at the top level that there is no getting away from this. A struggle is being waged between representatives of the social bloc and the financial bloc.

[POSTFACTUM] This struggle will be manifested particularly visibly during the discussion of the draft budget in the State Duma. How do you rate the prospects for the budget's adoption?

[Melikyan] In my view, the budget does not suit anyone in its present form—neither political parties nor corporate groupings. Everyone will criticize it, and everyone will seek to extort as much as possible for himself. I am afraid that the budget's passage will drag on for a long time. I do not even rule out the possibility that we might once again be left without a budget, as last year.

[POSTFACTUM] It is already obvious that the first three months of this year brought about a production slump on a still greater scale than in any period during the previous three or four years. This will evidently give a new boost to talk of introducing an economic state of emergency. What is your opinion of this?

[Melikyan] There is a lot of talk of this, but nobody knows what it means. If this term denotes a rapid response to the economic situation within the framework of the Constitution and the laws, then I am in favor of it. Although, in my view, this is not an economic state of emergency but normal operational work in an economic crisis situation.

It is another matter that certain political forces invest this concept with different meaning, when emphasis is placed not on the word "economic" but on the word "emergency." Such forces exist on the extreme flanks of both camps—both the democratic camp and the opposition camp. Therefore, when the idea of an economic state of emergency is advanced as a smoke screen for pushing a political "emergency," I am against it.

This is why it is so important to implement the Agreement on Civil Peace in practice. Knowing the positions of "Russia's Choice" and "Democratic Russia" on the one hand and of the Liberal Democratic Party of Russia, the Communists, and the Agrarians on the other, I find it hard to imagine that they can reach agreement on anything with one another. Nevertheless, we must move toward accord in the name of the well-being of Russia and its citizens.

Latsis: Economic Decline Has Bottomed Out

PM1904085794 Moscow IZVESTIYA in Russian 16 Aug 94 p 1, 2

[Otto Latsis report: "Russia's Economy on the Bottom. Is It Not Time To Climb Back?"]

[Text] Up-to-date information has been received from the State Committee for Statistics on Russia's socioeconomic situation in the first quarter. It testifies not only to the continuation of known processes in the economy, but to new phenomena too.

Today's slump is qualitatively different. In industry, the slump in production is far more acute and far more profound than last year. Industrial production fell by 24.9 percent in comparison with the first quarter of last year, and by 27.4 percent in March in comparison with March last year. This, indeed, is something which has not been seen since the beginning of 1992. The slump hit 19.3 percent in the first quarter of 1993 as measured against the level of the first quarter of 1992.

First Sales Crisis in 70 Years

However, it is not so much the quantitative as the qualitative changes which are significant. You will recall that the first wave of the slump was attributed largely to the disruption of links with CEMA countries. Then the disintegration of relations between USSR republics and the regions of Russia began. Price deregulation revived interest in the ruble, but 1992 hit industry with wholesale conversion in the "defense sector." Today, all these things have moved either into the past or onto the second stage.

According to data for January and February, only 6 percent of stoppages in industrial production can be attributed to conversion, and around one-third to inadequate provision of material resources. Lack of demand for products caused 58 percent of the losses in working time from stoppages in production. Consumers are dissatisfied with either the price, the range, or the quality of products, or with all of these things taken together. In

actual fact, the influence of the sales factor is probably even greater because many enterprises, instead of reorganizing production in line with market requirements, are loading the very same commodity onto knowingly insolvent consumers and then requesting state help in resolving the problems of nonpayments. In fact, many "nonpayments" are the result of the very same absence of a market.

This is a situation which our industry has not known for around 70 years, since the days of the 1921-1924 sales crisis. And now, as then, there is no sense in enterprises relying on state help to solve this problem. The state can help some enterprises at the expense of others, but it is powerless faced with a crisis hitting virtually all of them. There is no other option but for them to reduce their own expenditure and, in the wake of this, prices, and to alter the range in line with consumer aspirations.

For decades, our consumer has been compelled not to purchase a commodity but to "take" whatever is "given." Under market prices, this does not work. But if the thing the consumer needs is put on offer—then the money is found to purchase it. For instance, production of trucks has fallen by slightly more than two-thirds (in January-February in comparison with the same period last year), while, according to the results of the first quarter, production of cars dropped by 31 percent whereas bus production hardly fell at all: The latter are needed by cities which have lost the opportunity to acquire "Ikarus" buses for hard currency. Virtually nobody would claim that our buses are better in terms of technical standards than our trucks or cars—or that they are very cheap. But they are needed—so production is maintained. Likewise, UAZ vehicles are needed—so the Ulyanovsk Automobile Plant is running, while the ZIL [Likhachev Automobile Plant] and GAZ [Gorkiy Automobile Plant] plants are at a standstill.

Market Saturation Grows

Events taking place in connection with the consumer goods market are even more vivid. Sales volumes for consumer goods in the first quarter were 4 percent down on last year, while the figure for March was 8 percent down. As for paid services, the volume of these comprised just 49 percent in comparison with the level for the first quarter of last year, and 22 percent in comparison to the first quarter of 1991. The effective demand of the population places a rigid limit on sales. How is the market reacting to this?

First, the coefficient for commodity saturation of the retail network is rising (this coefficient expresses the correlation between the number of cities where the commodity was on sale, and the total number of cities being monitored, of which there are 132). In the space of one year (February through February), this coefficient rose from 57 to 82 in respect of foodstuffs, and from 76 to 90 in respect of noncomestibles. In respect of vegetable oil and sugar, this figure hit 100 in March.

Second, price rises are slowing down. Here is how the indicators for the growth of the price index looked in the period from October through March (expressed in percentages by comparison with the previous month): 19, 17, 13, 21, 10, 9. With the exception of the January upsurge, typical of the first month of the year for a number of reasons, inflation is falling steadily.

And so it is that despite talk about the various inscrutable peculiarities of our market, general economic laws do operate in Russia too. A drop in demand, an increase in reserves, a cut in production, and a slowing down of inflation go hand in hand. And the only way to overcome the crisis is persistent economic compulsion for producers to overhaul the structure of production in line with market requirements and to cut prices. Resisting the pressure of sector lobby groups now, and refusing to return to the path of spoon-feeding inefficient enterprises through the state budget or preferential credits, means opening the way to recovery for a sickly economy.

The objection inevitably arises: It is easy to say stand firm, but how can this be done when there are so many poor people all around, when a multitude of enterprises which are undoubtedly vital to the country are on the brink of ruin?! In part, the answer to this is provided by life itself. Yes, the fight against inflation is inseparable from a "tight money" policy. Even the moderately stringent financial restraints of the past year led to a situation where pay increased more slowly than prices, as a result of which the average real wage in the first quarter was 4 percent down on last year, while in March this figure was 3 percent down. But at the same time, the population's disposable income (money left over after essential payments), taking due account of the price index for the year, rose by 10 percent. How can the average income rise while the average wage drops? Purely at the expense of a second job, and via additional earnings. The statistics confirm: The proportion of the wages fund making up the total volume of income fell from 65 percent to 59 percent, while that of additional earnings has risen.

An evaluation of the social consequences of such a development cannot be simple. People are earning more, but to do this they have to work more. But this is better than abject poverty. Meanwhile, there is a gradual healing of the most painful social ulcer of the transition period: large-scale deprivation. Last January, 35.5 percent of Russia's total population were on incomes lower than the minimum wage, while in December this figure was 26.7 percent, and in March this year—17 percent. This is still an awful lot—more than 25 million people. But it is half as many as at the beginning of last year. Last year, 13 percent of the population had incomes which were not only lower than the minimum wage, but even lower than the cost of the minimum food basket. In the last quarter, this figure was 6 percent.

Peasants Are Hindered by Russian Monopolism, Not Imports

Statistics for foreign economic relations reflect some very interesting processes. Exports continue to rise slowly, but imports are falling rapidly (although not as rapidly as last year). As a result, the foreign trade surplus, which was highly significant last year, is increasing. In the first quarter, the excess of exports over imports hit \$5.1 billion. Unfortunately, the traditional raw materials imbalance in the structure of exports increased even more. Exports of cars and equipment, already negligible, declined even further.

However, a relatively new process is attracting attention: Food imports are falling sharply. Grain imports in the last quarter were 81 percent lower than a year earlier—that is, they fell by a factor of more than five. It is known that from now on the state does not intend to import more grain—all that will remain will be imports at the discretion of enterprises. Imports of raw sugar fell even more sharply—by 92 percent, while those of refined sugar dropped by 49 percent, freshly frozen meat by 53 percent, and butter by 8 percent.

Let us note: All this occurred before the government's decision to introduce import tariffs on foreign food. So how can one justify talk on the part of our agro-industrial lobby about the influx of cheap food from abroad which is suffocating national production? Yes, the country does have ample meat supplies (incidentally, we have not heard such words for some 30 years). But is this the fault of the importers? Last year, meat production fell by 7 percent, or 860,000 tonnes (in live weight), and in the first quarter of this year it fell by 13 percent. Meanwhile, meat imports from abroad for the whole of last year came to just 77,700 tonnes, while in the first quarter of this year this figure was 10,700 tonnes. The entire volume of imports is substantially lower than the scale of the slump in national production. It is not imports which can be blamed for low demand, but the expense, limited variety, and poor quality of Russian food. Introducing import tariffs and finally shutting out foreign competition will provide our agro-industrial complex with an opportunity to increase prices even further instead of lowering them—and then demand will fall even more markedly and the predicament of Russian peasants will become even more difficult.

Clearly we have to help our producers not by freeing them from competition from importers. They need to be provided with good roads in order to convey products to the city, and a good processing industry. They have to be set free of food industry and trade monopolies, which, more than anything else, are inflating prices. Incidentally, the peasants themselves are doing just this. Even now, in conditions of a wretched processing and trade infrastructure, they are reducing the sale of goods to state procurement agencies and increasing sales at markets, through their own trade network, through public catering outlets, and via other channels.

There is no easy way out of the crisis. But if there is no deviation from fulfilling the demands of the market, and if the mindless structure of production derived from the "planned economy" is painstakingly reworked into something more rational, then it is possible to find a way out. But if there is a new plunge into an inflationary spiral, there will be no increase in production, as the experience of past inflationary upsurges has shown, but rather the solution of all economic and social problems will be put off even longer.

To try to withstand, to survive this most difficult and, therefore, decisive period, and not to turn back—this is a worthy aim. Is it enough? It seems that the crisis in the economy is approaching the state that the Americans call "the bottom": there is no further to fall. But this by no means signifies that a revival will begin tomorrow of its own accord. It is possible to lie on the "bottom" in a state of stagnation for a fairly long time. It is important not to miss that moment when a kick-start is required, when an incentive to start climbing is called for. A sensible reduction of taxes could provide this incentive for the healthy, viable portion of our industry. But only if it is not accompanied by an increase in the budget deficit and, with it, accelerated inflation, otherwise this will be an incentive not to heal but to intensify the disease. This means that it is possible and expedient only if state expenditure is cut to the same extent and at the same time. All this is food for thought when completing the work now under way on the budget for this year.

Bank Official Defends Investment Record

PM1504114994 Moscow ROSSIYSKAYA GAZETA in Russian 12 Apr 94 First Edition p 3

[Interview with Yakov Dubenetskiy, chairman of the Promstroybank Board of Directors, by correspondent Yelena Tokareva; date, place not given: "Yakov Dubenetskiy: 'There Are Trillions in the Banks, But It Is Not Suitable for Investment'"]

[Text] Politicians have recently started discussing how commercial banks' "available" resources might be used for investment. According to one estimate, it is 22 trillion rubles [R], while the Central Bank of Russia [CBR] figure is R36 trillion. Our correspondent talks here about the feasibility of such resources being employed in this way with Yakov Dubenetskiy, chairman of the Board of Directors of Russia's Promstroybank, which is the government's official agent for financing and issuing credit to state investment programs.

[Tokareva] Yakov Niolayevich, every honest Russian citizen is worried not just by the rate of interest on his own savings but by the problem of investment in the ultimate basis of the country's security—its industry, agriculture, and science. Our premier recently said that R22 trillion is lying idle in commercial banks. While the budget is gasping for lack of resources. Why is it that the banks don't invest resources in the economy but mostly

deal in short-term money? At the same time Vice Premier Chubays has stated that a network of investment funds for G-7 resources will have to be set up for investment activity during the second stage of privatization. Do we really have such unpatriotic banks that they have no wish to bolster their country's prosperity?

[Dubenetskiy] Compared with the beginning of the nineties, investment has fallen off fivefold, although the official statistics indicate only a twofold decrease. In 1992 the construction of 32,000 installations was halted while at the same time construction was started up on 34,000. Of course, you might think that structural reorganization was happening. But most likely it is a case of confused thinking when you stop the construction of one plant for lack of resources but then immediately start laying down the infrastructure for another.

Each year the USSR made 210 billions' worth of capital investment, 70 percent of which went to Russia, where the capital-intensive sectors were based. If you discount investment in agriculture and the social sphere, 50-55 billion was left. This constituted capital investment in industry during the time of stagnation. The value of all assets at those prices was R3.5 trillion. Production assets were worth R2.5 trillion. They were 50 percent worn out. And each year roughly 1 trillion rubles was required for their physical replacement. Very little was invested in modernization. It took 10 years to replace obsolete equipment. And it became obsolete twice over during that time. But yet in those conditions 50-55 billion was invested in modernizing industry.

Financing on a repayment basis is now accepted. The first quarter of 1994 saw 300 billion allocated to conversion and 400 billion to investment in the remaining spheres. If these figures are allocated over the whole of the current year, R3 trillion will go on investment in these spheres. But the construction costs index has gone up 1,500 times. Consequently, a simple calculation shows that in old prices 2 billion is actually being invested. Two billion to modernize assets during a democratic dash for the market! Just 2 billion! And that, given 60-70 percent obsolescence.

You say that banks are accused both from below and above for our engaging in usury. Yes, the commercialization of banks and their fragmentation in July 1990 did do the economy a bad turn. Settlements are in a state of disarray. Sharp practice flourishes. Banks have turned their back on investment and industry and switched to issuing credit to commercial structures.

What are banks to do? To issue long-term credit you need to have long-term money. The banks' sources of funds are insurance money, the population's pension payments, enterprises' resource, and the resources of the Central Bank. But their clients' money is money placed for three-six months. The banks have virtually no long-term money. Only 3-4 percent of short-term money can be employed for long-term credit. No more than that. You can invest only with long-term money. But the resources are extremely limited. You cannot talk in

serious terms about the 36 trillion (the CBR figure) deposited in commercial banks as an investment stockpile. Credit deposits amount to R30.5 trillion, of which only 1 trillion is long-term.

What's to be done? It is difficult to find substantial resources within an inflationary system. And it is impossible not to sustain investment for the economy's survival. The only option is...to issue money? But in a severely restricted way—by way of competitions and tenders. We are ready to work for a margin of 1 percent, at the same time as other banks work for a 3-percent profit.

[Tokareva] Everyone is frightened by the term "issuing of money"—

[Dubenetskiy] You should not equate it with the effect of the inflation which accompanies investment. Resources are allocated for the long term. While issuing money to cover the budget deficit is just plugging a gap, and is dangerous. The effectiveness achieved by the processes of privatization will be of great importance. If a private owner borrows money, he normally makes use of it.

[Tokareva] How do you regard the discussion about foreign investment in our economy?

[Dubenetskiy] The West does not want a powerful competitor in the shape of a strengthened Russia. What they want from us is the development of the infrastructure of the economy so that resources can be utilized. Large-scale help from the West is unlikely to ensue. The West does not have the available money either. There is speculative capital which "sloshes around" in exchanges and banks. But it won't go into investment. The owner of such capital will always receive a guaranteed 10-percent profit back home in Munich. Without risk. Here he could receive 17 percent or more, but he could lose his life. We are a high-risk country for businessmen. You won't find a "businessman" anywhere in the West who, as in our country, will after 18 months' "work" acquire a Mercedes for himself and a Honda for his wife while his mother-in-law drives a Toyota.

But the opportunity to receive investment only comes in exchange for concessions and the exploitation of mineral resources. And, according to certain estimates, we have 35 trillion dollars' worth of the latter in our country. From that standpoint, Lenin really was a bold innovator and was not afraid to give the West access to our natural wealth. There was a law on concessions during the NEP period. This all played a role in the development of devastated Russia. Our innovators, however, fear to do this for some reason. They are no doubt anxious about how the patriots will react to them. Meanwhile, it is hardly worth pinning high hopes on the World Bank, the IMF, or the European Bank for Reconstruction and Development [EBRD]. These are politicized organizations. The terms they set are pretty difficult to meet. And their financial help is not of the requisite scale. We are unlikely to get large-scale state investment from the West

either. So we are left with transnational corporations which have an interest in our mineral resources.

[Tokareva] What is your attitude toward the nonpayments crisis and the possibility of resolving it?

[Dubenetskiy] Nonpayments? It is difficult to find a plant which is not sustained by the capital of several banks and which does not keep too much credit, including hard-currency credit, on deposit. Why, given this, doesn't it pay its bills? Tough measures are needed. There is no other way. It is altogether time to make use of compulsion, on the one hand, and goodwill, on the other. We need agreements incorporating penalty clauses between industrialists, agricultural producers, and bankers. The Central Bank must work out mandatory terms for bankers. A high rate of interest for refinancing is no way to fight inflation. It is necessary to reach agreement on reducing the rate of interest on investment credit and on allocating one-third of resources for investment in the development of small and medium-sized businesses. Banks also have to make their contribution to curbing inflation. Those who don't play the game must be subject to economic sanctions, being denied, for example, access to centralized credit. It is essential to combine economic methods and compulsion.

Comptroller's Office Chairman Interviewed

PM1804102394 Moscow ROSSIYSKAYA GAZETA in Russian 15 Apr 94 First Edition pp 1-2

[Interview with Khachim Karmokov, chairman of the Federal Assembly Comptroller's Office, by Ruslan Lynev; date, place not given: "Comptroller's Office—Between the Branches of Power"]

[Text] There are avenues of economic policy which are fatally unlucky. This has been the case not only with the budget but with the control of its execution. The former Russian Supreme Soviet's Control and Budget Committee found itself sidelined, as it were, before it was able to develop and the new Federal Assembly Comptroller's Office currently consists only of the chairman—the 52-year-old State Duma Deputy Khachim Karmokov, who had until recently headed the Republic of Kabardino-Balkaria Supreme Soviet.

[Lynev] So, there is a chairman but no office. Why? And what form should the office take?

[Karmokov] Under the Constitution (Article 101, Paragraph 5), the Comptroller's Office is the Russian Federation Federal Assembly organ that monitors the execution of the federal budget. A draft law on it and its status, functions, powers, and structure was drawn up by the president's Legislative Proposals Commission with the participation of the Supreme Soviet Control and Budget Committee and other organizations. This bill had its first reading in the State Duma the other day. And the shape of the office will depend on the type of law that is passed.

[Lynev] What does the draft law say on this score?

[Karmokov] It raises the question somewhat differently from the Constitution. First, the office is presented as a statewide financial control organ that is independent in its activity and is subordinate only to the law. Second, under the draft, the office monitors not only execution of the budget but the activity of nonbudgetary funds and, finally, the utilization of state property.

[Lynev] That's a tall order, as they say. Doesn't it strike you that each of the three avenues of monitoring you have mentioned are important in themselves and have their own features? For instance, there would seem to be nobody responsible for the state property that is not currently being privatized. How is it to be dealt with? Should a special superministry be set up? Should administrative control be passed down to the regions, creating something akin to the old national economic councils? It's an open question. And we can see that it is linked with two other, quite separate issues—monitoring of the budget and nonbudgetary funds.

[Karmokov] I agree. These are different, independent areas of monitoring. I am convinced that they should not be mixed up—you can't do everything. (Suffice it to say that the sums handled by our nonbudgetary funds—pensions funds and others—are of the same order as the revenue side of the federal budget). But it is far more important that the Comptroller's Office, under the draft and contrary to the Constitution, will not be a parliamentary organ but will be positioned somewhere between the branches of power without being dependent on either of them.

[Lynev] Is there a bad side to the monitoring organ having this kind of independence?

[Karmokov] First, as I have just said, it contravenes the Constitution. Second—and this is the main point—it is bad because parliament is deprived of essentially the only means of monitoring envisaged by the fundamental law. With the current noticeable strengthening in the executive, there is a risk that the office could come under its influence—as has in practice happened to the recently independent Central Bank of Russia. Just imagine—those executing the budget would be monitoring it themselves. That is only possible when there is no separation of powers or when the system of their separation is incomplete.

[Lynev] As is well known, the Finance Ministry is responsible for the execution of the federal budget. It monitors the timeliness and fullness of every item of revenue, the accuracy of spending on the upkeep of the authorities, defense, education, and so forth—down to the very lowest level. What form should the Comptroller's Office take—surely not a new administrative monster duplicating the Finance Ministry?

[Karmokov] Anything but. I am opposed to increasing the staffing of the office to that level. But let's take another look at the Constitution and at real life. The fundamental law envisages that the chairman of the office is chosen by the Duma, the deputy (who has not

yet been chosen) is selected by the Federation Council, and the auditors are drawn from each chamber equally.

[Lynev] How many will there be?

[Karmokov] That too has not yet been decided. But if we have one for each of the most important avenues of budgetary control, there will be eight to 12 people.

[Lynev] Will they be deputies?

[Karmokov] They will primarily be qualified specialists. And if a deputy has the relevant qualifications, then why not? This will strengthen the office's links with parliament. As for its size, the office's staff will reach 500-550 people. These will mainly be comptrollers [kontrolery] and auditors.

[Lynev] Wouldn't you call that overblown?

[Karmokov] The corresponding body in the FRG has 420 employees, while the U.S. equivalent has a staff of 5,248.

[Lynev] And are they paid out of the budget they monitor?

[Karmokov] Yes. But in the United States a single budgetary dollar invested in monitoring yields \$60 in return. In 1989 staffers at the General Accounting Office—which is what this service is called in the United States—saved \$23 billion.

[Lynev] How will the office's work be organized? For instance, the draft budget for this year states that privatization proceeds will total 147 billion rubles. How will that be checked?

[Karmokov] First and foremost we must find out just how realistic this figure is. Of what does it consist? What are the specific sources? It is not enough to know that the Finance Ministry, under the budget adopted by the State Duma, has allocated so much to education or defense, say. It is important to monitor the figures all the way down to see whether the funds reach each specific consumer on time or get stuck halfway, bringing somebody a "windfall." We have to do that for each item.

[Lynev] Are you not worried about the scale and complexity of the job?

[Karmokov] It's a difficult area because it requires not just a certain level of qualifications but also other human qualities—a principled approach, firmness, and experience of organizational work. Nonetheless, I would like to answer your question optimistically—we will do our job.

Economic Performance, Prospects Assessed

PM1804154994 Moscow TRUD in Russian 16 Apr 94 p 2

[Political observer Vitaliy Golovachev article: "The Economy Has Stumbled on the Threshold of the Market. And Hurt Itself Badly"]

[Text] Whatever people say, signs of market relations (both positive and, alas, more clearly, negative signs) are still appearing in Russia, attesting to complex processes in the economy. Let us take the production slump, for example. Whereas at the beginning of last year the shortage of supplies of raw materials, semimanufactures, and fuel was the predominant cause of stoppages, in the first quarter of 1994 quite a different factor is already coming to the fore—demand. That is, the most important thing today is whether the output of a given enterprise is in demand.

This would appear to be entirely a market trend. But this is what is alarming. Month after month passes, but many "drowning" enterprises have no intention of engaging in structural restructuring and do not have survival plans.

More and more new sections and shops and entire plants are falling prey to paralysis. There were lengthy stoppages of individual production processes or of an entire plant at 3,800 enterprises in January, at 4,300 in February, and at almost 5,000 in March. Losses of worktime exceeded 60 million man-days.

The most alarming thing is the scale of the crisis. The fall in production is increasing every month: The physical volume of production fell 23.1 percent in January (compared with the same period last year); 24.1 percent in February; 27.4 percent in March. There has not been such a collapse in all the time of implementing the reforms. If we compare the situation with 1989, we will see a striking picture: Production of industrial output has been more than halved and now stands at just 49.6 percent. You cannot envy our government, since Russia seems to be crossing a dangerous, critical line, approaching the large-scale destruction of its industrial potential.

This is largely connected with the snowballing crisis of nonpayments. Operational materials just received from the Russian State Committee for Statistics attest that the problem is being exacerbated, jeopardizing the country's economic security. As of 1 January creditors' defaulted arrears amounted to 16 trillion rubles [R]; as of 1 February—R20 trillion; as of 1 March—R25 trillion. The fact that nonpayments are increasing at a faster pace than inflation attests to a deepening crisis.

Meanwhile, many millions of Russians are feeling this problem very directly in their family budget. In Russia, contrary to common sense, the flawed practice of nonpayment (or incomplete payment) of wages and other payments is assuming an increasingly wide scale. Thus, it turns out that someone has worked in a shop for two weeks, he goes to the cash desk and sees an announcement: "In connection with the fact that the state has not settled up with the enterprise for the state order, the plant has no money, and wages for this month will be issued later." Is this not absurd, is it not humiliating? Millions of Russians live without wages for three weeks, for a month, for two months. They sell things, get into debt....

I had hoped that, in connection with the fact that there had been a considerable transfusion of money into the economy in February (R1.6 trillion), the notorious knot of nonpayments would be untied little by little. But no, it turns out that everything is the other way around—the defaulted wage arrears are not diminishing but increasing. As of 1 January, they totaled R766 billion; as of 1 February—R1.681 trillion; as of 1 March—R2.085 trillion; as of 1 April (according to preliminary operational data)—R2.374 trillion. In other words, during the first quarter the total of wage debts increased more than threefold, noticeably overtaking the rate of inflation.

The situation is becoming dangerously explosive. The miners' pickets outside the White House are being replaced by nuclear scientists, students.... Will we live to see the day when working people of all the 30,000 enterprises where workers are owed wages will rise up?

In an attempt to avoid this and to strengthen the legal base, on 10 March 1994 Russian President Boris Yeltsin issued the edict "On Liability for Violations of Citizens' Labor Rights," which instructs the Prosecutor's Office to pay "special attention to preventing cases of delays over paying wages." But the edict has essentially never worked. First, as frequently happens, there is no sufficiently clear mechanism for implementing it; second, in our crazy economy it is by no means always possible to find the specific guilty persons; third, what can the Prosecutor's Office or a court (which, in any case, are swamped with cases) do if an enterprise is up to its eyes in debt?

In order to ease the acuteness of the situation at least in some way, specialists propose temporarily, pending the elimination of the nonpayments crisis, to introduce a procedure for reserving certain funds for wages in the accounts of enterprises (let us assume four to six times the minimum wage for each working person). The idea is as follows: Let us say that money has come into a plant from a client, the necessary sum is at once transferred to a special account, and it is not allowed to spend the money on anything but wages—neither on taxes nor for other purposes. According to Valeriy Kolosov, Russian Federation first deputy minister of labor, the Ministry of Labor sent similar proposals to the Ministry of Finance, and the acting minister of finance apparently supported the idea, but the matter went no further than this.... Maybe this was because the wages of Finance Ministry employees are never delayed?

Nobody today can say exactly which part of the wages has not been paid through the fault of the state (by "clamping down" on budget funds—for the state order, grain sold to the state, etc.) and how many debts have arisen because of clumsy commercial and economic activity. If, let us assume, a nonstate firm is a potential bankrupt and credits [nachislyayet] its working people with money which it cannot pay, this is, after all, a matter for the firm itself—think, bustle, restructure yourself, find your niche on the market. But when the state starts engaging in deception—that beats everything,

as the saying goes.... So I ask: For how much of the debt of more than R2 trillion is the state responsible? No idea. How is it possible to manage the country without knowing such very important, fundamental things?

In any case the government is obliged, finally, to vigorously set about resolving these very painful problems. Industry bears the lion's share of the wage arrears (according to preliminary operational data—R1.332 trillion). What awaits these enterprises? Will state debts be paid, will the process of effective structural restructuring, clearing up of finances, and bankruptcies of drowning enterprises begin? We cannot go on swimming with the tide, hoping that somehow everything will be all right of its own accord. The disease is intensifying and going deeper, and without effective treatment it could turn into a great calamity. Analyzing the first quarter's results and observing the government's passivity, you catch yourself thinking: Are the premier and his team capable of providing such effective treatment? If so, it would be a good thing to demonstrate this in practice. I will remind you, incidentally, that, as the State Committee for Statistics bears witness, there are already 4.4 million unemployed in Russia today (according to the International Labor Organization classification). But taking into account those who are not fully employed, the total potential for unemployment stands at 8.8 million people (11.7 percent of the economically active population). This is another alarm signal....

In conclusion I will cite a fact which can be viewed in two ways: The share of the labor remuneration fund in the overall volume of monetary incomes has fallen from 65 percent (in the first quarter of last year) to 59 percent in January-March 1994. That is, the role of wages has diminished somewhat. This is because, first, the new rich are passing huge money through commercial banks, making a sizable profit, and, second, many Russians are increasingly actively seeking somewhere that they can earn a bit extra, in addition to their main occupation. This "bit extra" almost compares (in size) with their wages. On the one hand this is good: The population's enterprise and activeness attest to a change in the stereotypes of thinking, to a gradual adaptation to the conditions of market economics. But there is another side here too: Inadequate wages, not paid on time moreover, accustom people to doing hack work and working at half stretch in their main job, in order to make a bit more on the side....

On the whole, the average monthly real wage, calculated with due regard for the consumer prices index, fell 4 percent in the first quarter of 1994 (compared with the same period last year) and 3 percent in March (compared with last March). By comparison with the drop in production, we received even more than we earned. This presages a new surge of inflation in the second half of April and in May. No, stabilization of the standard of living and an increase in it are possible only by way of reviving the economy and an effective structural policy. No other artificial methods will be able to lead to success....

Federal Assembly

Shumeyko Views Plan for CIS Integration

LD1904120194 Moscow ITAR-TASS in English 1026
GMT 19 Apr 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow April 19 TASS—A long-range plan of integration of the Commonwealth of Independent States (CIS) is to be worked out by the Councils of Defence Ministers and of Foreign Ministers of the CIS by September 9, said Vladimir Shumeyko, chairman of Russia's Federation Council. The document being drafted on Boris Yeltsin's initiative is to determine how the Commonwealth develops in the areas of economy, policy and interstate relations, Shumeyko told reporters on Tuesday.

The head of the Interparliamentary Assembly of the CIS believes that the striving for closer economic cooperation was manifested at a meeting of heads of state of CIS countries in Moscow. He believes that the economic integration will lead to political integration and that the concept of the development of the CIS is important in this connection. Nazarbayev's proposal for the creation of a Eurasian union prompts this, Shumeyko said.

Shumeyko believes that changes in the CIS regulations will follow. Specifically, it should be stipulated that members of the CIS should not be in a state of war with each other. He said that Armenia and Azerbaijan are meant, above all.

Regarding the signing of the Russian-Belarusian [Belarusian] agreement on unifying the monetary systems, Shumeyko surmised that there will be no objections from the Federation Council to the ratification of the document. "It is necessary to visualise the ways of rapprochement of member-countries of the Commonwealth without infringing their sovereignty and freedoms," believes the speaker of the upper house of the Russian parliament. He said that the growing economic closeness of Russia and Belarus should only be encouraged as this has been the purpose of the entire previous economic policy.

Views Federation Council Functions

LD1904111994 Moscow ITAR-TASS in English 1024
GMT 19 Apr 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow April 19 TASS—"It is already clear that the Council of the Federation cannot work on a non-permanent basis," Vladimir Shumeyko, speaker of the upper chamber of the Russian parliament, told a journalistic roundtable here today. "It will probably be necessary to amend the Constitution of the Russian

Federation," he said, replying to an ITAR-TASS question on the organization of the work of the parliament's upper chamber. In Shumeyko's opinion, members of the council should be elected and not delegated from each subject of the Federation. "It is impossible to combine the duties of a governor and senator," he noted.

Summing up the results of the first 100 days of the chamber's work, its speaker said that they were "spent on thinking over the functions of the upper chamber of the Federal Assembly". There are three points of view on this score among the MPs and in the society as a whole. The first view is that the council should work in strict accordance with the constitutional norms. The second view is that the chamber, being as it is the supreme legislative body, should tackle all the most important questions of social life, just as it was done by the old Supreme Soviet. This point of view is shared, in particular, by the heads of the subjects of the Federation, who account for the majority of the council members. And, finally, there is a view that the upper chamber should be "a buffer between the lower chamber and the president". This view is shared by the presidential administration.

Referring to the view of the heads of council committees, whom the speaker met on Monday, Shumeyko said that "the procedural rules of the Council of the Federation should be amended". The council must discuss all the vitally important problems, but at parliamentary hearings, not at sessions. Such hearings must be "an effective mechanism of its work". In some countries, the speaker recalled, they last for 1.5 years, discussing the most important problems and tabling proposals. Sessions of the chamber could be called whenever they are necessary, in particular, to endorse laws, presidential decrees, and other documents that are within the constitutional competence of the upper chamber.

Critics of Draft Budget Law Cited

PM1804133794 Moscow PRAVDA in Russian 16 Apr 94 p 2

[Valentina Nikiforova "Parliamentary Diary": "Passions Aroused Over Budget"]

[Text] Yesterday the State Duma discussed the most dramatic document—the draft law "On the Federal Budget." The report delivered by acting finance minister S. Dubinin notes that revenue is around 120 trillion rubles [R] whereas expenditure is R 180 trillion. Well, the deficit is not all that alarming. Especially since the speaker gave an assurance that social needs have been protected. True, a comparison of the figures (48.5 trillion for defense and the law enforcement organs, 12.3 trillion for social needs) does not bear that out. The deciphering of the budget, item by item, alarmed the deputies. Deputy Bikalova characterized it thus:

"The whole social sphere is under threat. You ask, where can expenditure be cut? I say, in the sphere of administration!"

"It is impossible not to adopt the budget but it will be even worse if we adopt it in this form," Deputy Gordyev from the Russian Federation Communist Party said. "If we do adopt it then in September-October we will be facing the problem of nonpayments. Production will stop once and for all. On 12 December the people said that there must be an end to the euphoria of the pseudomarket reforms. The optimism over the small deficit is unfounded. Tax receipts are falling, everything has been given to the private sector but it is uncontrollable. The government should not talk about objective difficulties but propose a set of measures making it possible to increase the revenue section of the budget. And expenditure must be taken under tight state control."

Is that not too simple? But in that simplicity is the nub of the problem. For example, supposing that you try to check why it is that even those small amounts of money allocated to the agro-industrial complex have still not reached people in the countryside? Perhaps the power structures should try to find out which banks this money is languishing in, enabling devious officials to get rich? Or perhaps ministers do not mind the fact that they are greeted by a new picket every morning, as if to schedule? But what will happen if one day, for example, all of Russia suddenly unites behind the single demand: "If you cannot govern, get out!"?

The draft budget was adopted as a basis at the third attempt.

Duma's First 100 Days Seen as Unproductive

PM1804091594 Moscow ROSSIYSKAYA GAZETA in Russian 15 Apr 94 First Edition pp 1,2

[Aleksandr Batygin "Parliamentary Review": "One Hundred Days Have Past. But Where Are the Laws?"]

[Text] The State Duma has been working for just over three months now. Its deputies were elected in December—a cold, overcast time of year, but, astrologically speaking, an extremely propitious one for the future deputies. After all, those born under the sign of Sagittarius are energetic, active, independent, like reading and traveling, and attain great success in their work....

Fine characteristics for a parliamentarian! That parliament has assembled professionals, and not aficionados of the "talking shop," can be seen, if by nothing else, by the recent parliament hearings on the federal budget. The executive can no longer get away with things that the Supreme Soviet swallowed uncomplainingly. Duma deputies decisively rejected the draft budget for 1994, explaining to representatives of the Ministries of Finance and the Economy and the Central Bank that it was simply ridiculous to discuss the budget without a breakdown by regions, and the ill-considered, insulting division of the regions into three classes could only provoke interregional conflicts.

The discussion of problems connected with the budget showed that we should expect no improvement in our

lives this year; funds are needed, and considerable ones at that, for stabilization. What holes must be darned in the first place? Just one example, made public at the Russian Academy of Sciences' Annual General Meeting: Science was promised 933 billion rubles [R] for 1994, but in the first quarter was given just R45 billion. Hence the Russian Academy of Sciences is sending the Duma a plaintive appeal for help.

Nevertheless, the difficult dialogue between the two branches of power on budgetary problems kept within civilized bounds. After a businesslike exchange of opinions, having little in common with the old rivalry and disputes and still less the feuds and enmity so memorable in relations between the former executive and legislative branches, the government did not even insist on parliament's approval of the draft budget.

There are not so many variations in the Duma's strategy, the last three months have shown. One or two continue to campaign for the course of reforms in their current experimental form. However, many are convinced that it is capable only of destroying, not of creating, and runs the risk of losing the people's trust. The second variation, whose mouthpiece in the lower chamber of parliament is above all Gennadiy Zyuganov and other Communists, is a call for the country to go back to socialism, to the USSR, and, therefore, to the administrative-edict system. Alas, history has already given them the opportunity to bring the country prosperity, and the results are well known. More and more deputies incline to another path—the implementation of professionally executed reforms with the creation of a temporary system of social protection for those who have lost their jobs. A difficult path, but a realistic one that corresponds to the laws of the market.

In this, the legislature's influence on the course of events could prove extremely great. Parliament, Duma Chairman Ivan Rybkin stated, "firmly intends to undertake the legislative support of intelligent political, economic, and social reforms." The choice of priorities is also evidence of the thoroughness of these intentions. The 23 Duma committees—effectively miniparlaments—in which all factions and groups are proportionately represented have already got down to their direct task: creative legislation. This work is multifaceted, painstaking, and—so it may seem to the bystander—rather tedious. The deputies do not think so, engaging in expert analysis day after day and participating in open parliamentary hearings and discussions.

The only pity is that not one of the problems discussed has yet found concrete embodiment in law. Such a low productivity level in the Duma is worrying. And if you take into account the fact that the Law "On the Status of the Deputy" has still not been adopted, it is extremely difficult to divine what consequences decisions adopted within the walls of parliament may have.

Of course, we must also allow for the relatively short time of the Duma's existence—just 100 days—the confusion over its premises, and other organizational difficulties. But the fact remains that, apart from confidently executed “softening-up exercises” —a highly sensible plan of legislative activity—nothing else has been accomplished. The Duma inmates score real points perhaps only for helping the president to modify his savings compensation edict.

And there is plenty of work to do. Finally our society is starting to realize that the only way to achieve political goals is through peaceful means, with the aid of elections and the will of the people. Boris Yeltsin singled out the evolving new climate of collaboration with the Federation Council and the State Duma. “Dialogue is developing,” he said. “I will do everything incumbent on me to see that this constructive mood takes root, to see that parliament serves out its term and that the next elections take place at the appointed time and in conditions of stability and a higher level of political culture.”

Let us add to the president's words: It would be a good thing if the constructive mood were constantly reinforced by creation. So far the deputies born under the sign of Sagittarius, the Archer, “shoot” and hit target extremely rarely. The Duma is still only just beginning normal work, and its deputies have so far only managed to shine in foreign excursions and parliamentary hearings. To be fair, many such hearings are packed with content and interesting. In particular, one of the most recent hearings, devoted to local self-government reforms, deserves special attention. The issue was that, according to the norms enshrined in the Russian Federation Constitution, the organs of local self-government do not form part of the system of state power, and hence do not square with the existing structures of the representative and executive organs in the localities. The future law “On Local Self-Government,” which should avoid this contradiction, could untie this knot. A timely notion, in our view, and a fine one, but it does not solve the problem. And yet, because of this problem in some regions local self-government elections were aborted, and in many localities they were postponed till the fall on the president's recommendation.

The parliamentary hearing on the “Partnership for Peace Program,” which dealt with the possibility of Russia's participation in the NATO program and attitudes to opposing military blocs, also provoked a great deal of dispute.

The Duma's activity is directly linked to the resolution of vexed questions. All the same, deputies are obliged to justify the hopes of those who voted for them above all through consistent, effective legislation. In this area the 100 days of the Duma's power can clearly be assessed as a “flop.”

...Three months of intense work have past. The drama of the election contest and the preelection pledges and promises of mounds of gold have evaporated, and have

been replaced by routine parliamentary service, deprived of the halo of rallies and election campaigns.

Fears that the Duma would plunge into factional polemics have proved unfounded. Of course, the preposterous antics of the leader of the Liberal Democratic Party of Russia introduce a shrill note into the polyphonic deputies' chorus. Although the Duma is not a place to settle personal scores, from time to time scandals erupt there—the latest involving fisticuffs. Well, parliamentarians are also people, nothing human is alien to them. Of course, neither Shakhrai's ripostes, Lukin's puns, or Zhirinovskiy's antics determine the import of decisions adopted by the Duma or influence the disposition of political forces in parliament. However, the relations of the Duma deputies, it seems to me, are extremely indicative. The disposition of forces in the Duma is a kind of reflection of the situation in society.

For instance, the strengthening of the Communists' positions in the Duma, the vague rumors around the ultranationalists, in my view, by no means reflect dissatisfaction on the part of the Russian people over the fall of the communist regime or nostalgia for the past. The majority, it would appear, have already gauged the true price of “protest voting.” People today are not frightened by the advent of the market, but by the degradation of the economy and the falling standard of living. They are far less concerned by the verbal interchanges between leaders of the multiplying parties and movements.

However, “political work” and the factional get-togethers in the Duma will continue. I. Rybkin said that he sees nothing reprehensible in such activity. The main thing is that a limit is kept....

The time has come for people's deputies—they must by no means forget who elevated them to the parliamentary benches—to slow down their pace for a moment and look back at the road they have traveled in the first 100 days: a short road, but one packed with events both in parliament and in a great country which has acquired its own name once more. The formation of the new, or to be more precise, long-forgotten, body in Russian power is complete. For all its organizational difficulties, failures, and inconsistency, and a certain degree of passivity in its legislation, the Duma has not engaged in contemplation of life, but is dynamically trying to realize its innate intellectual potential.

In order not to put the evil eye on, and so doom to an unenviable future, the present Duma, which is a mere 100 days old and was born under the size of Sagittarius, which promises success, it is being called a transitional parliament. Where will the transition lead deputies and those who stand behind them (the Russian people)? To oblivion once again, or to a dignified existence? However banal it sounds, much depends on us ourselves, on how demanding we are, on our civic activity. After all, we ourselves elected this parliament.

Duma Readies Banking Law Amendments

MK1904074094 Moscow SEGODNYA in Russian 19 Apr 94 p 1

[Unattributed report: "A Package of Amendments to Banking Legislation Worked out in State Duma"]

[Text] The Russian State Duma's banking legislation subcommittee has drafted a package of amendments and addenda to the Russian Federation Law "On Banks and Banking Activity." The changes would make it possible to correct the deficiencies "preventing the normal functioning of the banking system." This has been advised by Pavel Medvedev, chairman of the Duma banking legislation subcommittee. According to him, the subcommittee is hoping to submit a corresponding document to be considered by the State Duma in the first reading till the end of April.

Regional Affairs**Chechen Republic To Talk Only Through Ministry**

LD1804142794 Moscow INTERFAX in English 1340 GMT 18 Apr 94

[Text] The Chechen Republic will hold talks with Russia only through the Foreign Ministry. INTERFAX correspondents report that this decision was taken at the session of the Chechen Government on Friday [15 April].

In an interview with INTERFAX the Chechen president's aide Soltmurat Apazov said that this means raising the status of talks to the level of inter-state ones. According to the Chechen president Djokhar Dudayev, the step was taken to regulate the relationships between the two states. As it has become known to Interfax, the matter was discussed in telephone talks between the Dudayev and his representative in Moscow. This emphasizes the fact, said Dudayev, that the Chechen Republic does not consider itself the subject of the Russian Federation.

Chechen Leaders Opposed to Dudayev Meeting in Moscow

LD1804180694 Moscow INTERFAX in English 1613 GMT 18 Apr 94

[Text] Leaders of political organizations opposed to Johar Dudayev, president of the separatist Russian Republic of Chechnya, are due to meet in Moscow on Monday, a source in Chechnya opposition headquarters told INTERFAX, but he declined to name any of the subjects to be discussed at the meeting.

Meanwhile, the leader of Chechnya's Marsho (Freedom) opposition party, Abdulla Bugayev, complained that some Russian leaders were trying "to reach a compromise with the Dudayev regime in disregard of the interests of the Chechen people and the entire multinational population of the Republic."

"Only somebody who is not a serious politician can speak about the recognition of the legitimacy of the bloody regime in [the Chechnya capital] Grozny, which has done everything to discredit the idea of the construction of a national sovereign state," Bugayev said to INTERFAX on Monday.

Criticizing Russian Economics Minister Valeriy Fateyev's recent statement that the economic situation in Chechnya is under control, Bugayev said anything that had not yet been plundered by various clans "is under the control of spontaneous forces and not under that of a well-considered policy."

"The people of Chechnya are tired both of the tyrannical regime of Dudayev and of the inconsistent and uncertain position of Moscow... A spontaneous eruption may take place, which may have very grave consequences," he said.

Bugayev said Chechnya needed free democratic elections. "The democratic forces of Chechnya are not going to abandon this position, even if the Federation Council of the Russian Federation or any other body of authority decides to recognize the legitimacy of the regime of Johar Dudayev," he said.

Chechen Formations Ordered to Fire on Armed Attackers

LD1804174894 Moscow INTERFAX in English 1613 GMT 18 Apr 94

[Text] The Chechen State Security Department has received an order on the deployment of its formations. The order said this was necessary as preparations for the state of emergency, the Chechen State Security Department told INTERFAX.

The commanders of the formations were ordered to open fire for effect without warning in case of an armed attack or resistance.

Commenting on this order, Deputy Chief of the State Security Department, Ayub Satuyev, said in an interview with INTERFAX that more energetic actions were expected from Monday on the part of the opposition forces in Chechnya. He announced that a group of persons recruited for the destabilization of the situation in the Republic had been arrested.

The security department formations will prevent unauthorized rallies and hostile actions against aliens.

"The leadership has enough power and means to halt enemies of the people. We will undertake the toughest measures towards the opposition," Satuyev stated. He suggested that Grozny would never again allow any actions similar to the ones in April and June 1993, when the rallies lasted for weeks.

Yeltsin Urges Power-Sharing Treaty With Chechnya

LD1804200294 Moscow *ITAR-TASS in English* 1842 GMT 18 Apr 94

[Report by *ITAR-TASS*]

[Text] Moscow 18 April, TASS—Russian President Boris Yeltsin urged on Monday overcoming the deadlock in Russia's relations with its independence-seeking republic of Chechnya.

The president entrusted the government to hold consultations with representatives of Chechnya's state bodies as well as all its political movements, and basing on the results of these consultations, to draft a powers-sharing treaty between Moscow and Grozny, the press service of the Russian president reported on Monday.

Ingush Diet Asks Yeltsin To Impose Direct Federal Rule

MK1904075094 Moscow *SEGODNYA in Russian* 19 Apr 94 p 2

[Report by Natalya Gorodetskaya under the "Caucasus" rubric: "Ingushetia Urges Introduction of Federal Rule in State of Emergency Zone"]

[Excerpt] [Passage omitted] Ingushetia's parliament yesterday discussed the situation in the state of emergency zone and passed a decree "On the Situation in the Zone Affected by the State of Emergency on North Ossetia and Ingushetia Territories and Measures to Uphold Citizens' Rights." The decree says that while Russian Federation laws do not work in the state of emergency zone, the rights of Russian citizens are being trampled, and the Provisional Administration has shown that it is completely incapable of stabilizing the situation. Ingushetia's parliament sees the suspension of local bodies of power of North Ossetia in Prigorodnyy Rayon and the introduction of direct federal rule on this territory as the only way out of the crisis. Ingushetia's parliament has forwarded to the Russian Federation president a special statement to this effect. [passage omitted]

North Ossetia, Ingushetia To Continue Talks 'In a Week'

LD1804154694 Moscow *INTERFAX in English* 1318 GMT 18 Apr 94

[Text] North Ossetia will cut short any attempt to wreck its current talks with Ingushetia, said an expert from the North Ossetian delegation to the negotiations between the two Russian Republics. In an interview with *INTERFAX* on Monday, he expressed the hope that the two sides would ultimately sign a final accord. "We wish to live in peace and intend to persuade the Ingush side to take the same position," he said.

North Ossetia believes it is impossible to stabilize the situation in the zone of the conflict between the two Republics unless Ingushetia gives up its claim to North

Ossetia's Prigorodny District, the expert said. But he said none of the documents drawn up by the Ingush side had a provision to that effect. "In Kislovodsk, we agreed that we would not interfere into each other's internal affairs, but the Ingushes' claim to North Ossetian territory is precisely an instance of such interference," he said.

The expert said that, at the second round of talks, which ended on Friday, it had been suggested that North Ossetia's leadership get in direct contact with Ingush refugees wishing to return to Prigorodny District. "To date we only have 14,000 applications from Ingushes, but, at the same time, we know that not all of the 40,000 wish to come back," he said.

According to some sources, the third round of talks is tentatively scheduled to start in a week. Meanwhile, experts on both sides will be working on the agreements, the sources told *INTERFAX*.

Tataria To Seek Balance in Forming New Government

MK1604133094 Moscow *SEGODNYA in Russian* 16 Apr 94 p 3

[Unattributed ADS report in the "Provincial Chronicle" column]

[Text] Kazan—Tataria Vice Premier Ravil Muratov has stated that a balance of "promarketeers" and conservatives will be ensured in the new government which is to be formed before September. According to him, there is a need to cut the number of vice premiers, replace the Cabinet of Ministers' sectoral departments with an institution of referents, and reduce the number of ministries and committees. Muratov also considers it necessary to create an analytical center to formulate government strategy. The vice prime minister proposes setting up a so-called Republican Agricultural Chamber, regarding it, along with Tataria's Chamber of Industry and Commerce, as the main opponents to the Cabinet of Ministers.

Sakhalin Duma Holds First Session

OW1604093294 Vladivostok *Radiostantsiya Tikhyy Okean Maritime Network in Russian* 0715 GMT 12 Apr 94

[From the "Pacific Ocean" program]

[Text] Sakhalin Oblast Duma has held its first session and discussed organizational issues. Our Sakhalin correspondent Lyudmila Filippova shares her impressions of this session.

[Begin Recording] [Filippova] A session of deputies was held in the smaller hall of the oblast administration. Both the deputies of our oblast duma and their guests had plenty of space to themselves. This is hardly surprising, because there were only 12 deputies at the first session, just like the disciples of Christ—11 men and one

woman. The first session of the first oblast дума was opened by Nikolay Svetkin, who is the director of Aleksandrovskiy pedagogical institute. He invited Viktor Kleptsov, chairman of the oblast election commission, to report on the results of elections to the oblast дума, which we actually already knew about—the elections in election district No.1 in central Yuzhno-Sakhalinsk were announced void. In other words, there was no one to represent a significant number of voters from the center at the first session. You can see for yourself who sat at the дума session: Sergey Osimov from the Korsakov base of ocean fishing; Viktor Kudryavtsev who is also a fisherman—director of Korsakov cannery; (Kim Pak Toki), chairman of Korsakov (Renbok Ltd.) joint stock company; Fedor Sidorenko, mayor of Dolinsk; Igor Revlin, economist of Kholmsk Commercial Bank; Leonid Osipov, mayor of the town of Shakhtersk; Lyubov Shubina from Nevelsk, who temporarily does not work; Ivan Zhdakayev, whom we know through his activity as a deputy during the Soviet era, and who is now deputy director of the innovative Sakhalin Foundation and still lives in the Pervomayskiy settlement in Smirnykhovskiy Rayon; Nikolay Dochilov, a doctor from Ulegorsk; Yuriy Kuts, deputy director of Sakhalineftestroy company from Okha; and Valiula Maksutov, chief of exploration drilling from the Val settlement in Noglikskiy rayon. They all represent voters of Kholmskiy, Korsakov and, furthest of all, Tymovskiy electoral districts. Until reelection in election district No.1 which, as Kleptsov announced, will be taking place on 30 October—although I think the deputies will consider this and might either speed up or delay the elections—the deputies will decide on issues connected with legislative initiatives in our oblast.

A representative of the oblast administration, namely Vice Governor Vladimir Shopoval, also came to congratulate the deputies. He remarked that the дума would be working under difficult conditions, with people tired from battles between the branches of power, and with worsening living standards as the background. I certainly agree with this, with the part about living standards. Only recently I saw an old woman in oblast center in Lenin Street. She leaned against a kiosk—blackened mouth, haggard face—and when she looked at me I thought this is how hunger looks; it is still hiding but it exists and quite possible may take to the streets. Therefore, it is still the ordinary citizens who suffer the most, and not everyone can take the adversity offered by the Russian leaders.

Anatoliy Aksenov, former chairman of Oblast Soviet, also congratulated the deputies. He remarked that the Oblast Soviet deputies started with much fanfare four years ago, but ended rather sadly. However, the дума deputies enter their term modestly and under difficult conditions, so they might end up better too.

The oblast administration has already prepared the mechanism for fruitful work. Boris Tretyak, member of the State Duma who recently arrived in Sakhalin, commented that he hoped for efficient cooperation between

the State Duma and Sakhalin Oblast Duma. Only then will joint productive solutions to problems troubling the Sakhalin residents become possible.

After presenting deputies' certificates and uttering plaudits, the дума went for a break. I approached Deputy Valiula Maksutov from the settlement of Val of the Noglikskiy Rayon. Could you share with us your ideas about the дума? What will it be able to do?

[Maksutov] We came here to work, and our only goal is influencing the existing situation so as not only to liberalize it but to give it the chance to develop, and give the producers a chance to work.

[Filippova] Will you work on a professional basis?

[Maksutov] I can not say yet.

[Filippova] You have not decided this for yourself yet?

[Maksutov] It is not that I have not decided for myself. I represent the interests of northern regions; we will discuss it and act in a way that will benefit all voters whom we represent. In other words, we will discuss this question among ourselves.

[Filippova] Is it a normal phenomenon that all issues pertaining to the oblast are decided by representatives of the outlying regions?

[Maksutov] We have expressed the opinion that elections should be held earlier, maybe even in June. But I think we will have to take into consideration the lack of deputies from Yuzhno-Sakhalinsk.

[Filippova] Our province has always felt discriminated against as compared to the oblast center in terms of finance, but today no one can influence your opinion. I think you are fairly independent now. This is a unique situation.

[Maksutov] This is a normal situation, and it might even be good. What is bad is the fact that elections in the election district No.1 failed. Let me repeat that we have no intentions whatsoever of infringing upon the interests of those not present here today. [end recording]

Kalmyk Leader on Political, Economic Issues

PM1804125594 Moscow SELSKAYA ZHIZN in Russian 15 Apr 94 p 2

[Interview with Kirsan Ilyumzhinov, president of the Republic of Kalmykia, by Sergey Kostornoy; date and place not given: "Kirsan Ilyumzhinov, President of the Republic of Kalmykia: 'Russia Must Be One Country for All'"]

[Text] Until quite recently, few people had heard of this man. He is a graduate of the Moscow State Institute of International Relations and an entrepreneur. Now Kirsan Ilyumzhinov is one of the most respected politicians in Russia. He is spoken of as a man capable of getting really big things done. This is indeed so. This successful businessman began by suddenly declaring his

desire to become president of Kalmykia. Then, after achieving power given to him by the overwhelming majority of the people, he disbanded the Kalmyk Soviet of People's Deputies on 30 April last year, the first time that such a thing had been done in Russia. But on 4 October last year, when Soviet power was coming under fire before the eyes of the whole stunned world, he stood up between the sides, well aware that at that moment the sights of the snipers' rifles were trained on him.

Now he has accomplished a new feat. For the sake of the unification of Russia Ilyumzhinov proposed on 11 March at an enlarged session of the Republic of Kalmykia parliament that the Republic's own sovereignty and Constitution be abolished.

[Kostornoy] Kirsan Nikolayevich! On 5 April the Constitutional Assembly of the Republic of Kalmykia—Khalmg Tangch—repealed its own Constitution and adopted the Steppe Code [Stepnoye Ulozheniye] (the Fundamental Law). In the opposition's opinion, this is essentially a "surrender" of sovereignty. Is that so? And anyway, why was it necessary to take this step?

[Ilyumzhinov] As you know, on 12 December last year the new Constitution of Russia was adopted. In the situation that has since developed, the national Republics cannot fully exercise their sovereignty. To preserve and ensure the development of Kalmykia it is necessary to combine the economic and other interests of our Republic with the regions of Russia. But that needed a corresponding legal basis, including a constitutional basis. However, the old Constitution, adopted on 30 May 1978, was clearly formal in character and could not promote integration ties.

That is one aspect. Meanwhile, there are now two options for the development of the autonomous republics. The Chechen option presupposes complete independence from Russia, the Tatar option presupposes a transition from it to contractual relations. Which path is the right one? I believe that in Russia there must be one constitution for all and one president for all. In 1640 the Great Steppe Code was adopted. We used that as a model for our own national "rules of life," which we adopted recently. They are quite sufficient to enable the Kalmyk people to feel that they are free and equal to all the other peoples living on Russian territory. We also abolished dual citizenship. We are all citizens of Russia. The third decision that we made was that the president of Kalmykia belongs to the one vertical power structure of the Russian Federation.

[Kostornoy] What has been the reaction to your initiatives, to put it mildly?

[Ilyumzhinov] Well! It was like a bombshell. Initially people in Kalmykia, the regions, and the center could not understand what was happening. There was even a bewildered speech by the Russian President's press secretary. I believe that this confirms that I had no prior

accord with B.N. Yeltsin and the leadership of other republics. Even my aides did not know what I was preparing to say.

[Kostornoy] Your opponents claim that now, with the adoption of the Steppe Code, the president has been given sole power in the Republic. Is that true?

[Ilyumzhinov] Of course not. Let us consider Article 26 of the Steppe Code, for example, where it is clearly written that the People's Hural (the parliament) can express no-confidence in the president and put the question of his removal to a nationwide vote. Now for my opponents. I have had opponents and probably will in the future. On the one hand there are those who have been stripped of leading posts, on the other there are those whom I prevented from obtaining such posts. I anticipated in advance the whole scenario of the events that have unfolded. The nationalists "surfaced" and began shouting from the rooftops that Ilyumzhinov is "surrendering" Kalmykia for Russia's benefit. But what about the ordinary people far removed from politics? They supported me. Do you know why? Because during my year as president they have known the real fruits of the implementation of the economic reforms.

[Kostornoy] The president is first and foremost a politician. Do you have your own preference for any particular party or movement?

[Ilyumzhinov] No. During the election campaign last year I had to answer this question. I said then and I say it again now: "I am a capitalist and I see my main task as making Kalmykia a rich and prosperous republic." I think that this will soon become a reality. It is a very good thing that I am free to make decisions independently without regard for any political forces. I value people for their professional qualities and devotion to the Republic's interests, not for their party beliefs. Thus my policy is a commonsense policy.

I am convinced that since the whole engine of the economy of such a vast power as Russia has been geared toward the market and the whole social tenor of life is being redirected accordingly, we can travel this road only if we are firmly united. It will not work if we are divided. The market cannot exist with customs barriers and other obstacles. It needs a single economic area, which in turn is impossible without accord.

[Kostornoy] How do you think your feat, accomplished for the sake of unifying Russia, will be perceived in the Kremlin?

[Ilyumzhinov] With understanding, I hope. After all, look at what is going on in our internal political life now. The regions are berating the center for its weakness and inability to cope with the economic crisis and constantly ask for money while threatening secession. Meanwhile, the center criticizes them for tearing the nation's wealth to shreds and consuming it. A nervous and prolonged period of wait-and-see has ensued; cyclists call this situation a "sur-place," I think. You will agree that

things could not go on like this for long. The development of the economy needs strict centralization, but just try and give orders to any of the autonomous formations today. Immediately the nationalists begin screaming: "The hand of the Kremlin is stifling freedom!" The only solution—the process of unification must start from the bottom. We have launched the new amalgamation of the Russian lands for the sake of Russia's might and prosperity. Who will support us?

[Kostornoy] Well, in my view a significant example has been set....

[Ilyumzhinov] Yes, we took this step, but this does not mean all the republics can or must follow us immediately. This needs the corresponding sociopolitical situation, a united team, and a leader who is confident that people will follow him and who is ready for action. I do not want to boast, but I am confident that my fellow countrymen trust me. That was shown by the presidential elections, for example, when 70 percent of the people voted for me, and by my election to the Federation Council, when 80 percent were on my side. I am confident of support now, too.

[Kostornoy] That is indeed so. I have met with various people and I asked about their lives and feelings. To my pleasant surprise I discovered a phenomenon that is quite rare nowadays: They are infected with a positive energy and a desire to work. I could feel people's respect for and trust in you. Is that not because they know that Ilyumzhinov is occupying the president's chair not for his own benefit or to satisfy his own pride? Of course, you have enough money and glory already. So why do you, one of the richest men in Russia and a prince, want such an arduous and thankless job?

[Ilyumzhinov] You must understand that in every man's life there comes a time when he wants not just to go about his own business but wants to help other people achieve happiness or, at least, prosperity. Some go in for philanthropy.... but I felt within myself the strength to be useful to my Kalmykia.

[Kostornoy] A businessman, as a rule, is someone far removed from politics, where intrigue is sometimes one of the instruments for achieving one's goal and where you have to sacrifice short-term interests for the sake of far-reaching aspirations. How do you feel in your new capacity?

[Ilyumzhinov] If I placed politics above all else nothing would happen and the reforms would not work. It is well known that politics is the concentrated expression of economics, but we have no economy here yet. What kind of economy was it if all it amounted to was that the leaders of Kalmykia would go to Moscow, extract some money there, come back, and hand it out. Now we are working hard to create a system of economic relations in which bad work would be unprofitable not only for the republic but for each individual who works badly. The Republic must become like one enormous firm where everything is on view and where everyone is appreciated

for his or her intelligence and ability to earn money. Just today I met with some farmers and sovkhos directors and set them all a specific task—to make money. My problem is to create the conditions for them to do that. All the other leaders of the Republics should do that, too. It is a very specific task and superficial bureaucratic innovations are no substitute for it.

[Kostornoy] Does that mean that the bureaucracy in Kalmykia is still strong?

[Ilyumzhinov] Not any more. Out of 40 ministries and departments only four have "survived." By reducing the number of officials we are easing the pressure on the budget and reducing the possibility of any plots or disturbances occurring. No one is likely to take offense if he is given a chance to really earn quite a lot of money not just for his republic, but for himself, too. Those people who do not want to do that or do not know how to get things done but can only offer everyone advice—they are simply blabbermouths and should not be annoyed with anyone if they are sacked. There are no more "jobs for the boys" in Kalmykia.

[Kostornoy] And now for a predictable question from a journalist on a newspaper with an agrarian brief. Agriculture is the basis of the Republic's economy. What is happening to it now?

[Ilyumzhinov] I think you know the way it was before. The Republic produced food and exported it to sustain the center and the major industrially developed regions. That is to say, it served in point of fact as a raw materials appendage to them. We are now setting up our own enterprises to process agricultural produce. In two to three weeks we will be starting up a tannery—the largest in the North Caucasus. We are constructing a wool-processing enterprise. We are opening sausage shops, bakeries, an oil-extraction plant.... We are seeking thereby to develop small- and medium-sized businesses in order to get the largest possible number of people engaged in profit-making work.

[Kostornoy] Do you have to use your personal capital for the common good?

[Ilyumzhinov] I left business behind 18 months ago now, but regarding the use of private capital, yes, initially it was necessary. The Republic, after all, did not at that time have its own budget money. For example, I handed over all my personal vehicles, computers, and other equipment to the Republic. I built an Orthodox church in the village of Priyutnyy out of my own resources. When Russian Patriarch Aleksiy II learned of this, he said: "It is a good sign if the Buddhist Ilyumzhinov has built an Orthodox church." I have now donated 100 million for the construction of a Buddhist temple. I have reached agreement with the pope on building a Uniate church in Kalmykia.

[Kostornoy] Why does the Buddhist Ilyumzhinov actually spend pretty large sums out of his own savings on constructing the churches of other religious faiths?

[Ilyumzhinov] The point is I am convinced that there is just one God for everyone. And I now want to build a common monastery where Buddhist monks, Catholic priests, and Orthodox monks can live together. You can see, I have also assembled in my office a collection of the most diverse icons and images: There is the prophet 'Ali, the Virgin Mary, the crucifixion of Christ, and the Buddha, and there is an icon that I was sent recently by the Bulgarian clairvoyant, Vanga.

[Kostornoy] Incidentally, there is quite a lot of talk about the fact that this unique woman is possessed of special love for and trust in you alone out of the many thousands who have visited her. Is that so?

[Ilyumzhinov] It is difficult for me to say to what extent all that you say is true, but it is true that Vanga allowed me to be photographed and have a video shot with her, although no one else has been allowed that. I visit grandmother Vanga virtually every month, she often phones me and takes an interest in my life. We enjoy a disinterested, human friendship. She is a remarkable woman. I find it no wonder that the French Academy of Sciences should issue her with the certificate "Phenomenon of Mankind No. 1." We have bestowed the title of honorary citizen of Kalmykia on her for the great services she has rendered the republic.

In one of my recent conversations with Vanga she told me that in the near future she sees Russia as a mighty state and the whole of Kalmykia as a flourishing garden.

[Kostornoy] May God allow that prophecy to come to pass.

Deputy Sees Ruined Economy, Coming Purges in Kalmykia

MK1604124094 Moscow SEGODNYA in Russian 16 Apr 94 p 2

[Report by Dmitriy Kuznets under the "Inspection" rubric: "All Quiet in Kalmykia. It Waits for Subsidies and Purges"]

[Text] A State Duma commission that went to Kalmykia to inspect the situation there had to state upon its return that this Republic, a component of Russia, is nearly the Federation's most stable region. No major political disturbances connected with the adoption of a new fundamental law of Kalmykia—the Great Steppe Code [Velikoye Stepnoye Ulozheniye]—have been recorded.

The sense of the innovation, which the Constitutional Conference, partly formed by Kalmykia President Kirsan Ilyumzhinov himself, actually copied from the Russian Federation Constitution, consists in the Republic's foregoing its sovereignty in order to receive subsidies from the federal budget. In the opinion of Duma Deputy Vladimir Lysenko, "all attempts by Mr. Ilyumzhinov to reform Kalmykia's economy boiled down to an international airport project and promises to give each resident a Mercedes. In Africa, too, every leader tries to build an airport the first thing," Mr.

Lysenko pointed out. The Republic's economy has really been destroyed down to its foundations. Its basis—sheep breeding—has run into the severest crisis caused by the absence of demand for Kalmykia oil. Even the introduction of new customs duties, actively lobbied for by Kalmykia and Tuva, have failed to revive the Republic's economy. Subsidies remain the only way out of the situation that has taken shape. Thus, as members of the Duma commission pointed out, Mr. Ilyumzhinov has restrained his arrogance and finally decided to "get down to real business."

The opposition, which hampered the passing of the Steppe Code, is small. It is centered in Kalmykia's capital, Elista, and pertains to the sections of top civil servants. The Duma commission recorded "anti-democratic" moods in Kirsan Ilyumzhinov and his supporters, who are going to conduct purges in the Republic's power structures.

1994 Conversion Program Adopted in Altay

LD1904085094 Moscow ITAR-TASS World Service in Russian 2205 GMT 18 Apr 94

[Report by ITAR-TASS correspondent Valentin Pavlov]

[Text] Barnaul, 18 Apr—Progress in implementing the program for conversion of defense enterprises, which was adopted in the Altay in May last year, has been examined by the kray's coordinating council for industrial policy and conversion. Although 52 types of civilian goods have gone into production during the past 12 months, managers of former defense plants are unhappy with the results of their work. They are dissatisfied about mutual nonpayments, reduction of investment activity, and the failure of many existing development projects to match up to the requirements of domestic and, especially, foreign investors. According to Anatoliy Karpov, president of the Polieks joint-stock company, conversion in the kray has been conducted in an incompetent and uncivilized way. Traditional markets for output are being lost as a result. Over 5,000 employees have been made redundant from enterprises undergoing conversion.

The council decided to set up collateral and insurance funds in the form of precious metals, minerals, raw materials and land allocations. The conversion program for the current year was endorsed. It is intended that another 44 new articles should go into production, including a prototype consignment of passenger carriages, multipurpose diesel engines, microwave stations, electric meters, electric motors for pumps and domestic appliances, hay cutters and motor assemblies, medical equipment and medicine. Specialists reckon that all this will require over 138 billion rubles of credit. Some of the kray defense enterprises, included in the republican conversion program, are hoping to get funds from the federal budget. Others are relying on their own resources and assistance from domestic and foreign investors.

'Niva Combines' To Use Barnaul Plant Engines

PM1904101594 Moscow ROSSIYSKAYA GAZETA in Russian 16 Apr 94 First Edition p 1

[Report from roundup of ROSSIYSKAYA GAZETA and ITAR-TASS reports: "'Niva' With Altay Engine"]

[Text] The "Rostselmash" plant has completed the readjustment of production for the output of "Niva" grain harvesting combines with engines from the Barnaul "Altaydizel" joint-stock company.

Previously the "Niva" was produced only with engines from the Kharkov "Hammer and Sickle" plant. But the Ukrainian enterprise has shown itself to be a not entirely reliable partner and the complication of tax procedures when crossing the border between Russia and Ukraine has aggravated the problem.

Economic Plight of Magadan Oblast Described

OW1904074694 Moscow Russian Television and Dubl Networks in Russian 0600 GMT 13 Apr 94

[From the "Dalniy Vostok" program]

[Text] Yeltsin and Chernomyrdin are two names that are being repeatedly mentioned in Magadan Oblast today. The oblast is on the verge of closing down. The economic council under the head of the oblast administration is preparing another package of documents for the government, which should help the fathers of the reforms to come to grips with the idea that if Russia wants, or rather if the government wants, to have gold it is essential to create a normal investment climate in Magadan Oblast.

Due to the pressure of taxes, exaggerated prices, and obviously deteriorating mining equipment conditions, today one gram of gold produced causes a loss of 20,000 to 30,000 rubles. If a mechanism for overcoming the crisis is not worked out this summer, Russia will become a witness to, and consequently a victim of the mass bankruptcy of Kolyma region miners. Of course, the miners are not twiddling their thumbs. At the just completed economic conference they tried to convince the representatives of the infrastructure to find ways to decrease expenditures in gold production. The infrastructure agreed to fix the price of fuels and transportation and to conduct price indexation in the future in proportion to the growth in the price of gold.

However this is a palliative and the oblast cannot extricate itself from this situation without Moscow. A report has appeared in local papers that a Magadan Oblast deputy to the Federal Assembly was promised support—no more and no less—in preparing a meeting with Chernomyrdin to discuss the inclusion of a purpose-oriented program for Magadan Oblast in the Federal budget.

St. Petersburg Mayor Signs Budget for 1994

LD1804175894 St. Petersburg Fifth Channel Television Network in Russian 1530 GMT 18 Apr 94

[Text] St. Petersburg Mayor Sobchak today signed the St. Petersburg budget for 1994. The amount of the budget is 3,607,993,400,000 rubles. The deficit is 149,087,400,000 rubles.

Leaflets Distributed To Protest Delay in Wages

OW1804093194 Moscow Russian Television and Dubl Networks in Russian 0000 GMT 17 Apr 94

[Announcer-read report; from the "Aty-Baty" program]

[Text] Leaflets appeared in the city of Murmansk-150, which is the home for the first submarine flotilla of the Northern Fleet. They call on officers and warrant officers to carry out a joint protest act against the delays of pay and unsatisfactory supply of clothing and related gear. The leaflets propose to block the road leading from living quarters to the submarine base.

No Agreement on Delivery of Ukrainian Jets to Russia

OW1804113994 Moscow Russian Television and Dubl Networks in Russian 0000 GMT 17 Apr 94

[From the "Aty-Baty" program]

[Text] Petr Deynekin, commander in chief of the Russian Federation Air Force, has reported that no mutually acceptable agreement on delivery of the strategic bombers deployed on Ukrainian territory to Russia has yet been achieved. He remarked that there are currently 42 strategic missile planes, of which 19 are TU-160 and 23 TU-95-MS. According to him, the stumbling block is the astronomical sum demanded by Ukraine for transferring the bombers. Ukraine wants 700 billion rubles of its debt to Russia deducted for its delivering the planes. According to Russia, this sum amounts to about 200 billion rubles.

Oblast To Boost Arms Sales to India, Southeast Asia

MK1604134094 Moscow SEGODNYA in Russian 16 Apr 94 p 3

[Unattributed ADS report in the "Provincial Chronicle" column]

[Text] Yekaterinburg—Oblast authorities are seeking to raise the sales of arms produced by the region's defense industry complex by a factor of 100 to 1000 times [na two-three poryadka]. According to Oblast Governor Aleksey Strakhov, during his recent meeting with Viktor Chernomyrdin, an accord was reached that the government will issue an ad hoc decree on the matter. The governor reported that the oblast has received permission to increase the volume of supplies, especially to India and Southeast Asia. Furthermore, he stressed, the

government is to give first priority to repaying its debts to the oblast's military industrial complex and financing defense production orders.

Oblast Chief on Neighbors, Defense Region

WS1804101594 Kaliningrad YANTARNY KRAY in Russian 6 Apr 94 p 2

[Interview with Oblast Administration Chief Yuriy Matochkin by V. Kostomarov in Kaliningrad; date not given: "Administration Head Yuriy Matochkin: 'The Most Open Oblast in Russia'"]

[Excerpts] As the press has already reported, the Russian-Polish talks on border issues recently ended successfully in Kaliningrad. During the talks, Oblast Administration Head Yuriy Matochkin met with a group of journalists whose questions dealt mainly with border problems.

[Kostomarov] How would you assess Russian-Polish relations in border issues?

[Matochkin] I rate them as positive. As you know, we have an agreement on the so-called border cooperation concluded between the governments of the two countries. This agreement is a basis for another accord with all Polish border voivodships. We hold regular meetings, and the process of economic cooperation is expanding. In other words, we have no major problems on the border with Poland. This was also confirmed at our meeting with Jan Wojcieczuk, chief commander of the border guards of the Republic of Poland, who headed the Polish delegation at recent talks on border issues in Kaliningrad. True, recently we put forward a claim to the Polish side....

[Kostomarov] What claim in particular?

[Matochkin] It is linked with the introduction of new requirements for service passports by Poland (even though in accordance with the 1972 agreement between the former Soviet Union and the People's Republic of Poland). This halted the traffic at the border for some time. Now this problem has been resolved to a certain extent. At least, the Poles issue free visas on the border, and the traffic has been renewed.

Speaking about our region in general, Kaliningrad is Russia's most open oblast today. Currently, we have 24 border crossings, and this is not the limit yet. Today, we are working on opening several new international crossing points. I believe that their number will reach 30. Incidentally, this question was discussed with the Polish delegation in great detail.

General Colonel Andrey Ivanovich Nikolayev, commander in chief of the Russian border troops, is well informed about these plans. We have told him in particular that it is necessary to open the large international crossing point "Mamonovo 2." Furthermore, we want all the facilities to be under one roof for the first

time—that is, separate Russian and Polish check points rather than one under the same roof. [passage omitted]

[Kostomarov] What is the relation between the customs regime and the development of a free economic zone?

[Matochkin] It is most direct. There are two conditions necessary for the actual functioning of a free economic zone—a preferential customs regime and preferential taxes. As for the first condition, such a regime was put into effect as of February last year.

[Kostomarov] In your opinion, why have attempts at smuggling to Kaliningrad Oblast from Lithuania not been suspended?

[Matochkin] Thus far, the border with Lithuania has not been delineated. An administrative rather than a state border is being guarded. Given this fact, there are a million problems, including the one of contraband. What is the greatest trouble here? There are plans to ship oil products, for example, from Ryazan to Kaliningrad. The cisterns reach Lithuania and vanish there. We begin a search. The consignment agreement has been concluded with some fictitious firm. Therefore, the Russian State Customs Committee has decided to take deposit duties. However, this has not been very effective and it has hampered the registration of loads for law-abiding citizens. It is the latter rather than various crooks who primarily suffer.

[Kostomarov] It seems that the extraction of oil on the Curonian Spit is also linked with border problem.

[Matochkin] The oil shelf is the object of negotiations on the sea and land borders that Russia and Lithuania are currently conducting. The Lithuanian side is clearly interested in moving this border southward and cutting off the oil field D-6 that is viewed as having a future.

According to our overall information, and we are closely cooperating with border guards in this issue, Lithuania has no legal basis for such claims. It is playing for time and looking for arguments. However, there are no arguments, and any international court would confirm this, because in such cases sea borders run perpendicular to the coast line. In general, this example demonstrates that the Russian Government must clearly define its economic policy toward the Baltic states.

[Kostomarov] The current press, particularly the foreign one, abounds in comments on the statement made by Army General Pavel Grachev, Russian defense minister, concerning the establishment of a special defense region with a single command on the territory of Kaliningrad Oblast. Some politicians and mass media in neighboring countries believe that the emergence of such a defense area threatens their security. Would you object to this?

[Matochkin] I would like you to notice that this will be a defensive rather than an offensive region! Certainly, this is a purely military issue, but the administration, as you understand, is informed about it. Our territory is small.

Therefore, it is rational even from an economic viewpoint to have a single command here. Meanwhile, the Baltic Fleet and the 11th Army have separate infrastructures—for example, storehouses, food supplies, and so on. At the same time, one must note that the size of the Army is being reduced.

[Kostomarov] How do you assess the plan to allow young people, drafted for service from Kaliningrad Oblast, to perform their duty here in the region, for example, in the border troops?

[Matochkin] We are implementing this model vigorously now. We launched this project back when Andrey Ivanovich Nikolayev was the Army commander in Kaliningrad Oblast. We believe that our region is special, and that young people from Kaliningrad Oblast must serve primarily here.

Antipoaching Operation on Far Eastern Frontier

LD1804121594 Moscow *ITAR-TASS in English* 1138
GMT 18 Apr 94

[Report by *ITAR-TASS* correspondent Sergey Borovkov]

[Text] Petropavlovsk-Kamchatskiy 18 April, TASS—Commander-in-Chief of the Russian Frontier Guards Troops Andrey Nikolayev arrived in Kamchatka today. The main objectives of his visit are to get acquainted with the Far Eastern frontier guard districts and to start the putina (fishing season) operation.

The putina operation will begin in the Far East in the third decade of April. Its purpose is to stop the illegal fishing of Russian and foreign poachers in the economic zone of the Russian Federation. For half a year frontier guards jointly with the Fish Protection Service and the Navy will exercise a tough round-the-clock control over a vast part of the Pacific zone—from the Chukotka Peninsula to the South Kuril islands.

Nikolayev said at the ramp of the plane that the operation would not affect the central part of the Sea of Okhotsk where Polish, Chinese and South Korean poacher vessels are illegally fishing the young fish, which are maturing there. "This is the problem of the national resources of the whole world and not only of Russia. It is

necessary to resolve, in the first place, international problems connected with the use of biological resources of the Sea of Okhotsk," Nikolayev said.

Responding to the *ITAR-TASS* question about the reaction of Russia's Far Eastern neighbours to the putina operation, Nikolayev said that "all law-abiding states approve of those actions, aimed at protecting Russia's economic interests in the region."

Flooding in Penza Oblast Has 'Passed Its Peak'

PM1804150194 Moscow *IZVESTIYA in Russian* 16
Apr 94 p 1

[Report by special correspondent Aleksandr Morgin: "Swimming Right Up to the City of Serdobsk"]

[Excerpts] Penza Oblast—While spring comes to the city of Serdobsk, Penza Oblast—as prescribed—once a year, floods come far more rarely. And one the like of today's cannot be remembered even by the old inhabitants. [passage omitted]

The water level in the local Serdoba stream has risen by almost eight meters. Whereas just one week ago the stream was barely 10 meters wide, it has now spread up to 1 km, submerging hundreds of houses in the suburbs of Serdobsk.

I later spoke with with Ivan Navalnyy, first deputy head of the rayon administration. According to his conservative estimate, the flood damage comes to 1 billion rubles. [passage omitted]

The flooding in Penza Oblast has passed its peak, our correspondent Aleksandr Kislov reports. Small rivers reached the nine to 10-meter mark. Around 40 population centers are surrounded by or under water. There have been casualties.

As V. Grinkov, chairman of the oblast flood commission and deputy chief of the oblast administration, reported, as of today 2,600 homes in the area are flooded. The victims are being helped and the situation is under control. A week ago alarm was caused by the Khoper River: Because its level was lower than the Don's the river was flowing backward and flooding the district. The high water has now stopped here.

International Affairs

Peacekeeping Contingent Flies to Bosnia

LD1804143194 Moscow ITAR-TASS in English 1331
GMT 18 Apr 94

[Report by UKRINFORM for TASS]

[Text] Kiev 18 April TASS—A group of Ukrainian soldiers was flown from Kiev to Sarajevo on Monday as part of Ukraine's peace-keeping mission in the former Yugoslavia.

They were the first contingent of a battalion to be airlifted to Sarajevo within the next couple of days. The battalion will be deployed near the besieged Bosnian town of Gorazde.

A team of Ukrainian foreign ministry officials flew on board the same plane for talks with the warring sides to negotiate the safety of the Ukrainian soldiers.

Diplomats, Soldiers Depart

LD1804174494 Moscow INTERFAX in English 1613
GMT 18 Apr 94

[Text] A total of 100 servicemen from the Ukrainian military contingency of the UN peace-keeping battalion have left Kiev for ex-Yugoslavia. The Ukrainian Defense Ministry told INTERFAX-Ukraine that several diplomats, including the Ukrainian Foreign Ministry's Envoy, Andrey Ozadovskiy, had left for the conflict zone by the same plane.

The Ukrainian Foreign Ministry's press service said the Ukrainian diplomatic mission had left for ex-Yugoslavia in order to examine the situation in the region where the Ukrainian battalion was stationed and to conduct consultations on the issue.

The 550 men of the new contingency will be stationed near Gorazde. The Ukrainian servicemen were trained in the Prikarpaty Military District.

The Ukrainian military contingency will be transported to ex-Yugoslavia by four flights. This will take three days. Ukraine is expected to have a 1,200-man military contingency in the region. The latest figure for the Ukrainian battalion in Bosnia and Herzegovina was 500 servicemen.

For the period of the Ukrainian battalion's presence in Sarajevo six servicemen have been killed and about 30 wounded.

Russian Version of Fleet Accord Rejected

AU1804125194 Kiev HOLOS UKRAYINY in Ukrainian
15 Apr 94 p 1

[Report on the "Statement by Ukraine's Ministry of Foreign Affairs"]

[Text] In connection with the 13 April information carried by "Ostankino" (in the "News" program) to the

effect that, during the negotiations in Kiev, an accord was allegedly reached that the sides would resolve the Black Sea Fleet problems based on the Massandra Protocol, Ukraine's Ministry of Foreign Affairs contends that this does not correspond to reality. Ukraine proceeds from the need for a comprehensive approach toward the issue of the Black Sea Fleet, taking into account the regulations of the Dagomys, Yalta, and Zavidovo Accords, as well as of the Massandra Protocol. Nor does the "Ostankino" information on the visit to Odessa by a delegation of the Russian Federation correspond to reality.

Contrary to the accords reached in Kiev, the commander in chief of the Russian Navy, S. Gromov, wrecked the meeting with the command and officers' personnel of the Black Sea Fleet, a meeting that had been planned jointly with the Ukrainian side. Such information and actions show who places obstacles to a just resolution of the Black Sea Fleet problem.

Naval Chief Urges Calm in Relations With Russia

LD1804153594 Moscow INTERFAX in English 1318
GMT 18 Apr 94

[Text] The Ukrainian Navy Commander, Vice Admiral Volodymyr Bezkorovaynyy, has urged the republic's sailors to refrain from actions that lead to confrontation and agitation. In a message to the Ukrainian navy personnel on Monday, he calls for preparing within 10 days a new round of talks on naval problems.

In his opinion, what happened in Odessa has been settled for good, and neither Ukraine nor Russia should refocus on it. He also called for displaying restraint, standing firm against provocations, and disturbing actions that might complicate relations between the Black Sea Fleet and Ukraine's Navy.

On the same day, Bezkorovaynyy sent a letter to the Mayor of Sevastopol in connection with the city council's plan to discuss what happened between the Black Sea Fleet and Ukrainian seamen in Odessa on 8-9 April at an emergency session. The message blames the incident "on the gross violation of the Ukrainian Constitution and laws by some Black Sea Fleet officials."

In this connection, Bezkorovaynyy suggested that the council consider the expediency of holding an emergency session or of postponing it for a later date.

In his opinion, by declaring its allegiance to the presidents of Ukraine and Russia, the Black Sea Fleet has virtually gone out of the Ukrainian leadership's control and become subordinate to the Russian military alone. All this leads to arbitrariness and impunity, he said.

According to the agreement signed in Zavidovo in 1992, the Black Sea Navy Commander is subordinate to the presidents of Ukraine and Russia alone.

Crimea Urges CIS To Support Deportees' Return*LD1804134394 Moscow ITAR-TASS in English 1313 GMT 18 Apr 94*

[Report by UKRINFORM correspondent Lev Ryabchikov for TASS]

[Text] Simferopol 18 April, TASS—Crimean President Yuriy Meshkov and Vice-Prime Minister Yevgeniy Saburov called on the CIS leaders to support the return of the deported people of the Republic.

In an appeal issued on the eve of the 50th anniversary of the deportation of Crimean Tatars, Armenians, Bulgarians, Greeks and Germans from the Crimea, they stressed that the disintegration of the Soviet Union and the emergence of new independent states have complicated their return to their homeland.

Ukraine cannot finance the programme alone, the appeal said. Meshkov and Saburov called on the CIS presidents and governments to support the programme and help restore the rights of the deported people.

Swede Expelled for Seeking Nuclear Warhead Components*LD1604082694 Kiev UNIAN in Ukrainian 2005 GMT 15 Apr 94*

[Text] On 15 April the press center of the Security Service of Ukraine reported that Swedish subject, Erik Olaf Estenson, born in 1962, who was temporarily staying on the territory of our state, was expelled from Ukraine for attempts to carry out actions that can be qualified as international nuclear terrorism in relation to a foreign state.

As UNIAN learned from reliable sources, the Swedish subject was seeking contacts with relevant specialists with the aim of taking nuclear warhead components away from Ukraine. According to unofficial data, the organization which, presumably, tasked Estenson has not yet been disclosed.

National Affairs**Kravchuk May Call Referendum on President's Authority***LD1804173294 Moscow INTERFAX in English 1613 GMT 18 Apr 94*

[Text] A senior member of Ukrainian President Leonid Kravchuk's staff said Kravchuk's possible decision to put the extent of his authority before a national referendum would be "logical" and "absolutely constitutional."

"Since parliament has not solved the problem of presidential powers, Kravchuk will appeal to the people," Nikolay Mikhalchenko told INTERFAX on Monday.

Earlier Kravchuk said he would not stand for the next term of presidency in the June 26 elections because the

future president's powers had not yet been delineated. Last month, parliament passed a law, which would give local councils to be elected on June 26 all executive authority in their respective regions and would dismiss regional presidential envoys. Kravchuk believes the president would then effectively cease to be head of the Executive Branch.

Kravchuk Interview on Economic Union, Issues*LD1804185994 Moscow INTERFAX in English 1652 GMT 18 Apr 94*

[From the "Presidential Bulletin" feature No. 74 (564): Compiled by Nikolay Zherebtsov, Andrey Petrovskiy; Edited by Vladimir Shishlin]

[Text] During his stay in Moscow last weekend President Leonid Kravchuk visited INTERFAX headquarters and answered questions from our correspondents.

INTERFAX: Ukraine's signing of the CIS treaty of an economic union was one of the highlights of the Moscow CIS summit. Why did the Ukrainian leadership choose the status of an associated member and what practical benefit can Ukraine derive from it?

KRAVCHUK: I think that in this case the difference between full and associated members is symbolic because the CIS has not taken final shape yet. The Commonwealth is in the making. Ukraine's signature under all economic documents of the summit is another indication of the fact that there is practically no difference between associated and full members. The point is that when the Ukrainian parliament discussed the founding documents of the CIS, it ratified them with certain reservations which remain in force and being president I could not ignore them when I signed the treaty. This is the explanation for our associated status, but it will not prevent us from most active and full membership in the union in the future.

IF Note: On 15 April after discussing the implementation of the treaty of the economic union the Moscow summit formed the commission of the union. An agreement on the gradual formation of a free trade zone was also signed.

INTERFAX: Some politicians are disappointed with the low efficiency of the CIS and offer other patterns of integration of former Soviet republics. What is your attitude to the idea of the President of Kazakhstan Nursultan Nazarbaev concerning an Eurasian union and the calls of the Russian Deputy Prime-Minister Sergey Shakhrai for a confederation of Eurasian states?

KRAVCHUK: Today the large-scale integration which some politicians speak of imply the European Union as a model is beyond our possibilities. It would be naive to think that the signing of certain decisions automatically leads to the formation of effective integration mechanisms whether it be the CIS or the Eurasian union. In

order to be effective, conditions should be formed gradually step by step. We should have complete clarity: what aims and tasks do we put forward?

It is an open secret that the European Union covered a road of 35 years before it reached its present form. The CIS is only a couple of years old and we have not yet managed to build mechanisms guaranteeing the Commonwealth at least minimal efficiency. It is not a question of the reluctance of leaders to resolve the matters, but the absence of objective conditions.

Besides, the transition to other forms of integration should be civilized. First of all, a team of truly qualified persons should define all the parameters of such transformation and later discuss the matter with the public. Look how tolerantly European countries approach these matters, what respect they show for the public: they hold referendums and polls. Our mentality has been different: leaders would get together, sign papers and consider the matter settled. And we are not concerned at all about the public response, believing that the people will later see what is what. Probably, that is not quite correct.

I do not reject the idea of deepening integration in principle, but I do not want it to become a subject of hasty solutions at this moment.

INTERFAX: There is certain anxiety in Russian government circles about the results of Ukrainian parliamentary elections. It stems from the victory of opposite political forces in different parts of your country. What do you think of the forecasts about the growing disintegration of Ukraine and the prediction that for the sake of consolidation an attempt might be made to play the nationalist card using such problems as the Black Sea Fleet etc.?

KRAVCHUK: The results of our parliamentary elections prompt the question: consolidation around what or confrontation with whom? In Russia, by the way, different forces won strong positions in parliament, but no Russian political circles are debating the possibility of Russia joining Ukraine. If anyone raised the matter in your Federal Assembly, the person would hardly be taken seriously.

We can speak of certain differences between western and eastern regions over the future of the country whether it should be independent, with Russia or under Russia. As president I declare that I want to live in friendship, cooperation and partnership with Russia. But I do not wish to be under Russia. Some people accuse me of hypocrisy. I am really convinced that this form of bilateral relations is the best—friendship and partnership.

The acute problems should be resolved so that Ukraine and Russia would live as good neighbors. I think we have managed to resolve one of them—nuclear weapons stationed in Ukraine. I am pleased that the trilateral agreement (Yeltsin-Clinton-Kravchuk) is beginning to work despite the difficulties.

The next matter is the Black Sea Fleet. Without going into details I would want to view the Odessa incident as an example of fast and constructive settlement of matters related to the fleet. We should not try to find the right and the wrong side, but use mechanisms worked out in Yalta, Zavidovo and Massandra. It is simply necessary to sit down to the negotiating table guided by good intentions. There can be no other approach.

When the Russian military say they intend to control the entire fleet and infrastructure and Ukrainians say they will not give away anything, both sides are unrealistic, they are making a mistake. Here are a few figures. According to 1992 prices, the fleet with its infrastructure cost 35 trillion rubles or \$35 Bn [billion] according to the then exchange rate. If today Ukraine accepts the version suggested by the Russian military, Russia must immediately pay Ukraine \$14 Bn. Can Russia afford that?

Therefore one should not kick up a racket. The problem should be resolved gradually on a realistic basis avoiding slogans. First, the fleet should be separated, divided because if there are two commanders "in one kitchen," they are bound to argue. The experience of relations between fleet commanders and the commanders of the Ukrainian navy has proved that.

At the next stage the matter of the Russian naval base should be resolved in keeping with international principles. In this case we mean Sevastopol. But that is too little for your military. They are pressuring the political leadership and the leadership is procrastinating the solution of the problem. When your military say, that in addition to Sevastopol Feodosia, Odessa, Izmail, Nikolayev and all airfields should be considered the naval base, I ask them: "Are you serious?" Twelve Russian naval bases in Ukraine! That is impossible. The matter belongs to parliament.

Several times already Ukraine has expressed its agreement to sell Russia part of the fleet and I have not given up these intentions. But first we should have a chance to see the documents and find out what costs what. I have the right to know that I am giving away.

INTERFAX: One gets the impression that you can effectively cooperate with Boris Yeltsin on the acutest matters, like in Massandra on the fleet problem, but later these concrete decisions of the presidents are not carried out.

KRAVCHUK: Every nation elects the leader to its liking. Russians elected Yeltsin, Ukrainians—Kravchuk. Whether we fit each other as persons or not, we must work together. As for Boris Yeltsin personally, I find a possibility to resolve difficult matters with him. I raise questions and get a clear answer, positive or negative, but clear.

You mentioned the Massandra agreement (under the protocol to it the Ukrainian part of the fleet was to be leased by Russia—INTERFAX). However, this document was preceded by the Yalta and Zavidovo agreements (on the division of the fleet—INTERFAX). No

one denounced. They were still in force. The Massandra protocol was very beneficial to certain political forces. They forgot about Yalta and Zavidovo and concentrated on the Massandra protocol.

The three documents should be taken as a package and the problem resolved fast.

IF Note: The Moscow talks between Russia and Ukraine last Friday resulted in an agreement on the gradual settlement of problems related to the Black Sea Fleet. Under the document the two sides "willing to strengthen friendship, cooperation and partnership" agreed on the following:

1. The Ukrainian navy and the Russian Black Sea Fleet shall be based separately.
2. Ukraine shall keep 15-20 percent of the fleet's ships and vessels.
3. An agreement on the parameters of such a division shall be worked out within 10 days. The Ukrainian Defence Minister Vitaliy Radetskiy told the press that the fleet shall be divided fifty-fifty. Out of the half that is going to Ukraine 15-20 percent will be kept by Kiev and the rest sold to Russia. However, the Russian Defence Minister Pavel Grachev has not confirmed this interpretation.

INTERFAX: Many experts believe that the incident involving the Cheleken hydrographic ship for the first time demonstrated the possibility of an armed clash between Ukrainians and Russians. Do you earnestly think of ways to rule out the very possibility of the repetition of such conflict situations in the future?

KRAVCHUK: This is the key question for us. We should not argue over matters related to the Black Sea Fleet and especially Sevastopol, even though I realize how painful they are for the Russian mentality. The Russian leadership is bound to take it into account and protect Russians, while I must protect Ukraine.

We must make decisions that would guarantee our peoples who have lived shoulder to shoulder for 340 years against arguments. It is the task of politicians to demonstrate restraint and will without permitting themselves to be dragged into conflict situations which armed people always begin.

Sometimes one shot aggravates problems so much that it becomes impossible to stop the avalanche later. The examples and lessons are before our eyes: Azerbaijan, Armenia, Georgia. That is why I am in favor of quick solutions, of not putting things off.

We have no right to argue even over the Crimea. We should do so that the Crimea would not separate us and our peoples. Leaders come and go, nations remain.

Kravchuk Appoints Commander of Ciscarpathian Troops

AU1804124394 Kiev HOLOS UKRAYINY in Ukrainian
15 Apr 94 p 2

["Ukrainian Presidential Edict on the Commander of the Ciscarpathian Military District Troops" issued in Kiev on 7 Apr]

[Text] To appoint Lieutenant General SHULYAK, Petro Ivanovych, as commander of the Ciscarpathian Military District Troops.

[Signed] Ukrainian President L. Kravchuk

[Dated] Kiev, 5 Apr 1994

Kravchuk, Chornovil, Kuchma on Election Results

LD1804173194 Moscow NTV in Russian 1500 GMT 18 Apr 94

[Text] The presidential election campaign has begun in Ukraine. The authorities are clearly inspired by the high turnout during the parliamentary elections and call this a good example. Western observers have a somewhat different opinion. For example, American representatives have stated that it was not possible to elect a genuinely legitimate parliament. The Americans have reported numerous complaints that candidates from the parties in power had freer access to the media.

[Correspondent Aleksandr Tachenko] The forecasts of the early collapse of Ukraine have turned out to be somewhat exaggerated, which President Leonid Kravchuk thinks as well.

[Begin Kravchuk recording, in Ukrainian with superimposed Russian translation] Analysis shows that neither the extreme left nor the extreme right received a large advantage. Everything depends on whether the deputies are able to create a strong center. If they create one—and I hope they will—then I hope that there will be no threat of collapse. [end recording]

[Tkachenko] Other active participants in the political process in Ukraine commented on the results of the recent elections in their own way in an interview on the "Itogi" program.

[Begin recording] [Vyacheslav Chornovil, leader of Rukh] The parliament was elected in accordance with what is probably the worst electoral law in Europe. Only the Belarusian law can compete, and these are the results. Then you must not forget that elections under conditions of an economic recession and the impoverishment of the population always give opportunities to extreme forces, both extreme left and right.

[Leonid Kuchma, president of the Ukrainian Union of Industrialists and Entrepreneurs] I hope that there will be a center in parliament capable of halting the tug-o-war competitions, capable of halting destruction and beginning to work on the genuine construction of the economy, which Ukraine needs today. [end recording]

[Tkachenko] After the parliamentary elections, now most interest is concentrated on whether or not the presidential elections will take place on 26 June. Among the opponents of the new electoral campaign is Kravchuk himself, some nationalists, and even communists. Among its active supporters are Leonid Kuchma and some of the leaders of the eastern and southern regions, and left-centrists.

Today, few people risk forecasting how events may develop.

Everyone is waiting and preparing for the middle of May, when the new Ukrainian parliament will meet for its first session.

Communists Win 25 Percent of Seats in Parliament

AU1804133194 Kiev HOLOS UKRAYINY in Ukrainian
15 Apr 94 p 1

[Unattributed report: The New Parliament“]

[Text] The elections to the new Ukrainian parliament have been held. Soon, 338 people's deputies, elected as a result of two rounds of voting, will occupy their seats at the Supreme Council. Repeat elections will be held in 112 electoral districts. These data were quoted at a news conference on 13 April by chairman of the Central Electoral Commission Ivan Yemets.

He said that the elections had proceeded very actively on an alternative basis and in acute political struggle. Broad openness was ensured at all stages, something that observers from numerous international organizations also noted.

Ivan Yemets briefed reporters on the party composition of the new parliament. According to tentative data, 89 deputies, nominated by parties, have been elected to the Supreme Council. The Communist Party has won the greatest number of seats—59. Rukh [Ukraine's People's Movement for Perestroyka] has 12 representatives [in parliament] and Socialists and Republicans—six seats each. However, in view of the fact that individual deputies were nominated by labor collectives, the political spectrum has a somewhat different character. More than 25 percent of the parliamentarians are Communists, about 6 percent represent Rukh, 5 percent are Socialists, and 4 percent are representatives of the Peasants' Party. There are 169 nonaligned deputies. As in the preceding Supreme Council, there are also few women in the new one—just 12.

Mikhailchenko: Presidential Elections Threaten State

LD1804135994 Moscow INTERFAX in English 1026
GMT 18 Apr 94

[Text] Head of the Ukrainian president's domestic policy service Nikolay Mikhailchenko expressed hope that the Ukrainian parliament would after all put off presidential elections from 26 June to a later date. “The

most important thing now is to save the state,” he told journalists during RUKH's Fifth Congress.

“If we ‘kill’ the last authority, we’ll allow both internal and external forces to do anything they want,” he said.

He also said that the elections of local governments on 26 June, in accordance with the current law, would disintegrate the country and lead to a federalization in its worst form. According to the law on local governments, the heads of the local councils will possess executive authority in all its entirety, and the institution of the president's representatives will be annulled. “This law was favored by the local bureaucrats who want to rule in the periphery,” said Mikhailchenko.

Earlier, RUKH leader Vyacheslav Chernovyl had supported the president's proposal on putting off presidential elections to a later date.

Commenting on the agreements on economic integration within the CIS, signed in Moscow on 15 April, Mikhailchenko said that “in the absence of exact wordings, everyone is interpreting these agreements the way he likes.” In his opinion, this is due to the fact that the CIS remains an association of unequal members.

Rally Calls for Russian Jurisdiction Over Crimea

LD1804141794 Kiev UNIAR in Ukrainian 1200 GMT
18 Apr 94

[Text] Sevastopol, 18 Apr—An unsanctioned rally under the slogan “Support the Popularly Elected President of Crimea” took place on Nakhimov Square from 1700 to 1810 on 17 April on the initiative of Mr. Kruhlov, deputy of Crimea's Supreme Council. Approximately 400 people took part in it.

The rally adopted a resolution:

- Appealing to Russia's State Duma to take Crimea under Russia's jurisdiction;
- Calling on Russia to act as a guarantor of stability in Crimea;
- Calling for all of Ukraine's military formations to be removed from the territory of Crimea;
- Calling on Sevastopol town council to adopt a decision on polling the town's residents on their attitude to Russia;
- Calling on the managements of television centers to resign;
- Calling on Ukraine's president to cease his antipopular policy with relation to Crimea's president;
- Calling on the commander of Ukraine's Navy to resign;
- Calling for an end to the blockade of Crimea's navy and security service;
- Calling for the election of only Russian deputies-patriots to the local bodies of power;
- Calling on Black Sea Fleet servicemen to transfer to Russia's jurisdiction from 9 May.

Ministry of Justice Censures Crimean President

AU1904095494 Kiev HOLOS UKRAYINY in Ukrainian
15 Apr 94 p 2

["Explanation by Ukraine's Ministry of Justice Regarding Recent Events in the Crimea" issued by the Department for Legal Information at Ukraine's Ministry of Justice; date not given]

[Text] Ukraine's Ministry of Justice has already drawn the public's attention to the illegal actions of Crimean President Yu. Meshkov. Unfortunately, not only did the high official of the autonomous Republic fail to embark upon the road of respecting the law, but he is even further intensifying his illegal activity. This is confirmed, in particular, by the following facts: On 11 April, the Crimean president, accompanied by a group of his bodyguards, arrived at the building of the Crimean Security Service, where, in the presence of members of its council, he announced his edicts on suspending from duty Crimean Security Service chairman General I.F. Kolomytsev and on appointing another person as acting chairman. He did the same at the Crimean Ministry of Internal Affairs with regard to Minister of Internal Affairs General O.N. Plyuta.

Not only are such actions on the part of the president of the Crimean Republic a blatant violation of Ukraine's legislation and of the international norms on human rights, but also of the Constitution of the Crimean Republic on the text of which he recently took the oath of allegiance. The Main Law of the Crimea (Article 129) envisages the right for the president to introduce proposals to the Supreme Council on the candidacy of the Security Service chairman. In accordance with Article 8 of Ukraine's Law "On the Division of Powers Among Organs of State Power of Ukraine and the Crimean Republic" and the Constitution of the Crimean Republic (Article 115, clause 13), the Crimean Supreme Council agrees to the appointment of the chairman of the Crimean Security Service only on the recommendation of the chairman of the Ukrainian Security Service. The appointment and the dismissal of this person from this post are the prerogative of the chairman of Ukraine's Security Service. Besides, the dismissal must be coordinated with the chairman of the Crimean Supreme Council.

Regarding the minister of internal affairs, in accordance with the Constitution of the Crimean Republic, this official may be appointed or dismissed only upon coordination with the Crimean Supreme Council.

The president of the Crimean Republic, in conformity with his status, must act as a guarantor of the Constitution and laws. However, if he opts for a different road, it will inevitably lead to anarchy and lack of security in society. No objective circumstances can justify such actions.

Kiev Claims Less Than 10 Percent Inflation in Mar

LD1804154294 Moscow INTERFAX in English 1318
GMT 18 Apr 94

[Text] Ukraine has achieved some economic stabilization and stepped up the pace of privatization in recent months, a Ukrainian representative in the EBRD (European Bank for Reconstruction and Development) told an annual meeting of the Bank's board of directors in St. Petersburg on Monday [18 April].

Aleksandr Savchenko said that inflation had dropped to 8 percent in March from more than 50 percent last December, 19 percent in January, and 12 percent in February.

He put the number of state companies now in private hands at more than 3000 or 4 percent of the total. He said that 10 percent of the industry had already been privatized with the privatization figure for the light, timber and wood processing industries running at 30 percent. The same indicator for the services sector reached 20 percent.

A total of 88 percent of collective farms have been transformed into cooperatives, partnerships and stockholding companies. The number of private farms runs at 30,000.

At the same time, Savchenko said that nothing short of financial aid from EBRD, IMF and the World Bank could help Kiev cut its budget deficit, halt inflation and speed up the privatization of large enterprises.

He pointed to EBRD's involvement in a project to promote Ukrainian exports and attract private investment to develop Ukrainian port facilities on the Black Sea coast. The updating of 1200 gas pumping stations and a length of more than 2,500 km gas pipelines is one other possible area of cooperation, Savchenko said.

Belarus

Defense Minister Urges Stricter Discipline

WS1804144294 Minsk VO SLAVU RODINY in
Russian 13 Apr 94 p 1

[Unattributed report: "At the Belarusian Defense Ministry"]

[Text] On 11 April, Colonel General Pavel Kazlowski, the Belarusian defense minister, chaired a meeting of Collegium members and chiefs of administration and services at the Defense Ministry Central Administration.

At the beginning of the meeting, the defense minister introduced Major Ye. Nikulin and Colonel S. Kuznetsov, appointed to the posts of chief of the control and inspection agency and chief of the education and training department, respectively.

After the introductions, Col. Gen. Kazlowski informed those present about a grave accident in the town of Kobryn in which several children were killed, as well as some other cases, bordering on emergencies, which displayed negligence and a lack of responsibility on the part of ranking officials.

It was noted that certain commanders have sometimes adopted irresponsible attitudes toward the performance of their duties, are too lenient with their subordinates, and fail to bring to account those who do not work hard. This kind of attitude makes people lazy and provides a suitable environment for violations of combat discipline.

The defense minister demanded a strengthening of personnel education and heightened personal responsibility from all commanders and chiefs, which should eliminate even minor violations of manuals, orders, and daily routines. Every case of violations of combat discipline and manuals must be put under scrutiny, the perpetrators punished, and a consequent analysis and conclusion made. A specific individual should answer for his misdemeanor. One just cannot keep working and serving this way any longer. Officers and generals, without exception, must revise their attitudes toward service and their military duty, and do their best to elevate combat readiness, discipline, and self-organization to an appropriate level.

The colonel general continued by suggesting that the Cabinet of Ministers should step up examination of draft army regulations and submit them to the Belarusian Supreme Soviet Presidium for approval. He ordered a comprehensive audit of the "Transaviaeksport" company, the findings of which will then have to be passed on to the Defense Ministry, requested normalization of material and technical supplies to the Military Academy, and focused on the situation surrounding the garrison "Zvyozdochka" [Little Star] department store.

The defense minister brought up the issue of the upcoming CIS summit in Moscow and the scheduled negotiations between Belarusian and Russian Defense Ministry delegations.

Reports were also delivered by Lieutenant General N. Churkin, chief of the General Staff of the Armed Forces and first deputy defense minister, and Major General M. Stankevich, deputy defense minister for armaments.

At the end of the meeting, Col. Gen. P. Kazlowski set specific objectives for the immediate future.

Hryb Comments on Talks With Yeltsin

LD1804142494 Moscow INTERFAX in English 1341
GMT 18 Apr 94

[Text] Chairman of the Belarusian Parliament Mechyslaw Hryb told journalists in Minsk Monday that during the talks with Russian President Yeltsin in Moscow late last week the two sides reached the understanding that the signed Belarusian-Russian documents (on the unification of monetary systems) should be strictly in line with the Constitutions of the two countries.

Hryb said that changes may be introduced in the text of Article 5 of the Belarusian-Russian agreement to avoid changes in the Belarusian Constitution.

In line with the existing Belarusian Constitution, the Republic's national bank is the only body with the right to shape monetary policy independently.

In line with the Russian-Belarusian agreement, these functions are carried out by the Russian Central Bank under conditions of a single monetary system.

Asked by INTERFAX to assess the initiative by Kazakh President Nazarbayev on the creation of a Euro-Asian union, Hryb said that so far the idea had not been discussed officially.

Meanwhile, the CIS executive secretary Ivan Korotchenya in an interview with Interfax on the same day in Minsk said that Nazarbayev's idea suggests the thought for closer unity among the CIS countries, though the European model of the community is preferred by many Commonwealth states. Korotchenya believes that it will take time for CIS states to agree to Nazarbayev's idea.

He did not rule out the probability of the fact that with time the leaders of the CIS states may return to the idea of a Euro-Asian union.

Hryb Comments on Amending Constitution

WS1804144494 Minsk Radio Minsk Network in
Belarusian 1200 GMT 18 Apr 94

[Text] Today, legislative speaker Mechyslaw Hryb and Head of the CIS Executive Secretariat Ivan Karatchenya held a news conference at the Supreme Soviet of the Republic of Belarus, dedicated to the results of the

regular conference of the CIS heads of state and government, held in Moscow last week. Mechyslaw Hryb told those present about the conference and voiced satisfaction over its results. In particular, he pointed out that 26 issues were addressed and as many documents signed. They were on the implementation of the treaty on the forming of the economic union, the realization of commissions issued by the Heads of State Council, the issues discussed at the initiative of states, statutory, and branch bodies of the Commonwealth, and so on.

The Supreme Soviet chairman answered reporters questions about the agreement signed between the Government of the Russian Federation and the Republic of Belarus on the unification of monetary systems. The legislative speaker said that he was not an advocate of amending the Constitution and has no right to do this. This can be resolved solely by the Supreme Soviet.

More on Kebich Remarks on Union With Russia

PM1804133994 Moscow PRAVDA in Russian 16 Apr 94 p 2

[Report by Oleg Stepanenko: "Vyacheslav Kebich: I Have Not Sold Belarus Out"]

[Text] Minsk—Before leaving for the meeting of heads of state and government in Moscow, Vyacheslav Kebich, chairman of the Belarus Council of Ministers, held a press conference for local and foreign correspondents devoted to the agreement concluded 12 April on unifying the Belorussian [Belarusian] and Russian monetary systems.

"As far as the accusations that I have sold out Belarus or handed it over to somebody are concerned, I can state officially yet again that I made my choice and have no regrets. This was the choice of my life, and I am prepared to sacrifice everything to see it all through to the finish, since I am profoundly convinced that union [soyuz] with Russia will be our salvation and our children's salvation."

The prime minister talked in detail about how the agreement had come about. The work began two years ago, he noted, but it has been particularly intensive for the past eight months. The Belorussian side submitted 30 versions of the agreement during this period. Vigorous opposition from certain forces within both Belorussia and Russia had to be overcome.

As PRAVDA has already reported, the agreement is in two parts. The first applies to the unification of monetary systems, while the second applies to matters with a direct bearing on customs operations, duties, and the status of Russian troops on Belorussian territory. The articles in part two of the agreement, which envisage the lifting of trade duties and payments to allow Russian goods to transit Belorussian territory or to allow the Russian side to lease strategic installations, come into force 26 April.

Moldova

Russia's Primakov Arrives in Chisinau

LD1804172994 Moscow INTERFAX in English 1613 GMT 18 Apr 94

[Text] Today, Chief of the Russian Foreign Intelligence, Yevgeniy Primakov, arrived in Kishinev [Chisinau]. He met Moldovan National Security Minister, Vasile Calmoi. They discussed joint actions by the Russian and Moldovan special services in struggle against terrorism, organized crime, drug business and illegal arms traffic.

The schedule of the visit also provides for a meeting between Primakov and Moldovan President Mircea Snegur.

Signs Cooperation Agreement

LD1804202194 Moscow INTERFAX in English 1803 GMT 18 Apr 94

[Text] Today Moldovan President Mircea Snegur and Chief of the Russian Service of Foreign Intelligence, Yevgeniy Primakov, signed an agreement in Kishinev [Chisinau] on cooperation between the Moldovan National Security Ministry and the Russian Service of Foreign Intelligence in the sphere of struggle with terrorism, organized crime, drugs and illegal arms traffic.

After the signing Snegur told journalists that the present socio-political situation in Moldova was favorable for the settlement of the armed conflict in Transdniestria which started in 1992.

Primakov stressed that the approach displayed by the Moldovan leadership when seeking a peace settlement was a good example for former Soviet republics plagued by armed conflicts.

Economic Crisis Caused by Reform, Political Problems

LD1804105094 Moscow ITAR-TASS in English 1008 GMT 18 Apr 94

[Report by ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Kishinev [Chisinau] 18 April, TASS—The economic crisis in Moldavia [Moldova] has resulted in the considerable drop in living standards in the Republic. The state statistic department announced today that the monetary incomes of the population in the first quarter of this year were about one half those of the same period last year.

In March, the average wage was 70 lei, (16 USD), ten times more than at the beginning of last year. The prices, however, rose seventeen times during the same period.

Experts believe that the worsening of the situation in Moldavia was caused not only by the crisis triggered off by economic reform, but also by the mistakes made by the old parliament over the past three years and the first

two governments. The conflicts in Trans-Dniester and the Gagauz region, as well as the uncertain stance on membership of the Commonwealth of Independent States have resulted in the loss of almost one-third of the Republic's production potential. Moldavia has broken up into three parts and has begun to lose its traditional market in the east.

Pressed for time, the preceding government signed a memorandum with International Monetary Fund which promised loans on certain conditions. The first part of these conditions has been met—after the introduction of Moldovan currency, the national bank succeeded in curbing inflation by regulating the issue of money and credits and reducing the budget deficit. But the second

part of the memorandum, relating to economic restructuring, investment activity, and the development of entrepreneurship and a market infrastructure has yet to be handled.

The unwieldy state sector has begun to choke without the customary credit infusions from the government. Redundant people have been unable to find employment in the private sector, which is in its embryonic state. As a result the production slump and hidden unemployment have reached a dangerous line.

The new government approved last week is facing a difficult mission of telling the bitter truth to the people: there are no miracles and time has come to pay for the mistakes made in the first years of independence. It will take not a couple of months but years of hard work to correct the errors, pull the country out of the crisis and reach the pre-perestroika standard of living.

Kazakhstan

Suleymenov: Baykonur Dispute With Russia Resolved

LD1804150294 Moscow INTERFAX in English 1318 GMT 18 Apr 94

[Text] Russia and Kazakhstan have reached agreement on the Baykonur satellite-launching site, Kazakhstan's foreign minister said. What remains to be clarified are some "technical" points, Tuleutay Suleymenov told INTERFAX.

He said Kazakhstan President Nursultan Nazarbayev, had recently put his signature to a Kazakh-Russian memorandum on Baykonur.

Suleymenov said Kazakhstan is to lease the site to Russia for \$118 million a year. Leninsk town, forming part of the Baykonur complex, is to be governed jointly by the two countries, he said. "Baykonur and Leninsk are on the territory of Kazakhstan and must be used jointly," he said.

Nazarbayev Appoints Saudabayev New Foreign Minister

LD1804140994 Moscow ITAR-TASS in English 1350 GMT 18 Apr 94

[Text] Almaty 18 April, TASS—Kazakhstan's President Nursultan Nazarbayev signed a decree appointing Kanat Saudabayev Kazakh foreign minister.

Before the appointment, Saudabayev worked as the Kazakh ambassador to Turkey and before that was Kazakhstan's minister of culture.

Saudabayev will replace Tuleutay Suleymenov who, according to an official version, has been assigned to another job.

New Parliament Session Begins 18 Apr

Nazarbayev Speaks

LD1804162394 Almaty Kazakh Radio Network in Kazakh 1400 GMT 18 Apr 94

[Text] Today, a meeting was held in Almaty of representatives of Supreme Kenges deputies from all the regions of the Republic. At the request of the parliamentarians, President Nazarbayev took part and spoke to the deputies. He congratulated the people's deputies on the high confidence in them and wished them every success in their work.

The head of state shared his opinion on the nature of the work and activity expected from the Supreme Kenges of the new convocation. He expressed his hope that from the very beginning the first ever democratically elected professional parliament will work constructively in the interest of the state and for the whole Kazakh nation. The president stated his readiness to work in a close, concerted, and efficient way with the Supreme Kenges in

order to lift our society out of the crisis as quickly as possible and to pave the way toward a civilized future.

Nursultan Nazarbayev believes that the Kazakhstani parliamentarians have every possibility to formulate their own specific style of law-making, which will take into account the particular features of our Republic, in particular its multiethnic population. He also answered deputies' questions. At issue were proposals regarding an initiative deputy group on how to begin the first session of the Supreme Kenges in an organized way. The proposals were approved in general.

On the same day, at the House of parliament, Central Election Commission Chairman Karatay Turysov awarded the deputies their newly designed badges. The session will open tomorrow at 1000.

Pickers Surround Parliament Building

LD1904082694 Moscow ITAR-TASS in English 0700 GMT 19 Apr 94

[Report by ITAR-TASS correspondent Vladimir Akimov]

[Text] Almaty 19 April, TASS—The new Supreme Soviet of Kazakhstan began work here today morning. It will be half the size of the previous parliament and will work on a permanent professional basis.

The MP's, who have won their mandates during the 7 March elections, are to decide some organisational questions first, particularly the structural pattern of the parliament. They are also to elect their speaker. Then the parliament will go over to the endorsement of the agenda and to the discussion of the items included in it.

But this may prove to be a difficult job. Several parties and public movements of the republic have declared that they would join the opposition against the present executive authorities. And if the MP's, sharing their views, decide to form their own blocs, the Supreme Soviet will hardly be able to avoid an acute factional struggle for power from the very outset.

The MP's will also be influenced by the situation around parliament house. More than 300 veterans of war and labor, invalids, and representatives of work collectives are picketing it from early morning today. They demand better living conditions, steps to curb the inflation and growing prices. A large meeting began there a short while ago. Its participants are protesting against the government's economic and social policy, which has placed many people far below the poverty line.

Family Health Protection Program To Be Implemented

LD1804111094 Almaty Kazakh Radio Network in Russian 0400 GMT 18 Apr 94

[Summary from poor reception] A three-day symposium entitled A Healthy Family Means a healthy Society,

sponsored by the U.S. Agency for International Development ended in Almaty. Over 150 medical professionals of Kazakhstan and heads of the family planning service participated in it. Delegation from Central Asian republics and the United States also took part.

This is a first step in the implementation of the family health protection program in Kazakhstan.

Kyrgyzstan

Rosa Otunbayeva Appointed Foreign Minister

LD1804200594 Moscow ITAR-TASS in English 1831 GMT 18 Apr 94

[Report by ITAR-TASS correspondent Boris Maynaye]v

[Text] Bishkek 18 April TASS—The Kyrgyz Parliament appointed Rosa Otunbayeva Kyrgyz foreign minister on Monday [18 April].

Otunbayeva is a graduate of the Moscow State University's Faculty of Philosophy and holds a candidate's degree in philosophy. She was a lecturer at the national university. For over five years she worked in district committees of the Republic's capital.

Roza Otunbayeva, 44, held the posts of the deputy chairman of the Kyrgyz Transport Ministry and Ministry of External Affairs during the Soviet era.

She worked in the USSR Ministry of Foreign Affairs since 1989, and one year later was appointed chairperson of the Soviet Union's Commission of UNESCO Affairs. Later she worked as vice-president of the executive council of this international organization.

She was ambassador of Kyrgyzia [Kyrgyzstan] to the United States from February, 1992 when the republic became an independent state. According to specialists, Otunbayeva is an active supporter of aggressive diplomacy. She speaks fluently German and English.

Lately the Kyrgyz Government had no head of the foreign department. The January session of the Parliament did not show confidence in Foreign Minister Ednan Karabayev who was recommended at this post by President Askar Akayev.

The new appointment has been made on the eve of Chinese Premier Li Peng's visit to Kirghizia.

Tajikistan

Clashes Reported on Border With Afghanistan

PM1804110194 Moscow ROSSIYSKAYA GAZETA in Russian 16 Apr 94 First Edition p 6

[Report from roundup of ROSSIYSKAYA GAZETA and ITAR-TASS reports: "Unsettled on Border Again"]

[Text] Attempts by armed groups to penetrate Tajikistan's territory are not ceasing.

Over the past 24 hours on the sector of the Pyandzh detachment's 10th border post a large bandit formation tried to break through from Afghanistan onto the Republic's territory but when it met with resistance was obliged to retreat. Fighting also broke out on the sector of the Moskovskiy border guards detachment's 12th border post where heavy weapons had to be used. There were no casualties on the border guards' side.

Situation Remains 'Complex'

LD1604160394 Moscow INTERFAX in English 1251 GMT 16 Apr 94

[Text] The situation on the Tajik-Afghan border remains complex. Some field commanders from the antigovernment opposition and the Islamic Rebirth Movement plan to attack border installations and plant field mines in Tajikistan along the border with Afghanistan.

As the Tajik Foreign Ministry's Spokesman Zafar Saidov disclosed at a briefing in Dushanbe on Saturday, the foreign department had received from the Afghan Embassy in Russia a note, which says that the Afghan Defence Ministry is ready to take the situation in the Imam-Sakhi (the Kunduz province) under control. It was from that area that Tajik militants shelled a border check point at Nizhny Pyanj on 11 April. The Afghan Defence Ministry pledged to do all it can to prevent such actions, Saidov said.

He also reported that the Afghan authorities had asked the Tajik leadership to step up joint actions and stabilize the situation on the border.

Officials Hold Talks With UNESCO Delegation

LD1604150494 Dushanbe Radio Tajikistan Network in Tajik 0030 GMT 16 Apr 94

[Text] Representatives of the United Nations Educational, Scientific and Cultural Organization (UNESCO) arrived in Dushanbe yesterday [15 April].

They held talks with Erkin Rahmatulloyev, the first deputy foreign minister of the Republic. Issues relating to cooperation between Tajikistan and this organization were examined during the course of the meeting.

Similarly, the UNESCO representatives held talks with Khujiahmad Khidiraliyev, deputy chairman of the Supreme Council of Tajikistan.

Rakhmonov: Moscow CIS Summit Shows Closer Union

LD1604134094 Moscow ITAR-TASS in English 1243 GMT 16 Apr 94

[Report by TIA "KHOVAR" correspondent Abdugaffor Kurbonov for TASS]

[Text] Dushanbe 16 April, TASS—The head of the Tajik Parliament, Emomali Rakhmonov has estimated the results of the Moscow summit of the CIS countries as evidence of the strengthening of mutual understanding

of the countries of the Commonwealth that has entered the "strongest period of its development."

In an exclusive interview with TIA "KHOVAR" on Saturday he noted the Commonwealth of Independent States is moving along the road of the realization of the idea of establishing a real economic union and drawing up a mechanism of its functioning. During the discussion of economic and political issues the meeting showed considerable mutual understanding between heads of CIS countries, said Rakhmonov.

Uzbekistan

Chinese Prime Minister Arrives on Official Visit

LD1804160194 Moscow ITAR-TASS in English 1528 GMT 18 Apr 94

[Text] Tashkent 18 April, TASS—Thousands of residents of Tashkent spilled into the streets of the city to welcome Chinese Prime Minister Li Peng who arrived in Uzbekistan on an official visit on Monday.

At Tashkent's Airport Li Peng observed the guard of honour. The national anthems of the two countries were played.

"I am glad that I am here, in this ancient and world-known city of Tashkent," Li Peng said. "The visit by President Islam Karimov of Uzbekistan to our country in 1992 opened a new page in the history of friendly relations between our countries," he continued.

The Chinese premier expressed the hope that "the documents to be signed during the visit will strengthen friendly ties and elevate our economic cooperation to a new height."

Karimov stressed that Li Peng's visit is taking place at a time when political, economic, trade and cultural ties between the two countries are growing ever stronger. He expressed the confidence that the visit will become a new step towards strengthening relations between Uzbekistan and China. "Friendly ties between our states date back to the time of the 'great silk route,'" he said.

This is the first visit to Uzbekistan by the Chinese prime minister.

Calls for Cooperation, Friendship

LD1804163894 Moscow ITAR-TASS in English 1620 GMT 18 Apr 94

[Text] Tashkent 18 April, TASS—Chinese Prime Minister Li Peng has called for broader cooperation and closer friendship with Uzbekistan which dates back to the time of the great silk route.

Li Peng arrived in Tashkent on his first official visit on Monday. During his three-day stay he will meet with Uzbek leaders to discuss bilateral relations, regional and international issues.

The visit is the first leg of his foreign trip, the first in the last 18 months, during which he will also visit Turkmenistan, Kirghizia [Kyrgyzstan], Kazakhstan and Mongolia. He is the highest foreign leader to visit the four Central Asian republics since the collapse of the Soviet Union in December 1991.

Li Peng said China is interested in maintaining good relations with Central Asian republics and Russia. He said China wants to have long-term, stable and friendly relations with Uzbekistan on the basis of the five principles of peaceful coexistence.

China established diplomatic relations with Uzbekistan in January 1992. The two countries have also agreed to establish embassies and trade offices in China and Uzbekistan and signed a bilateral agreement on trade and economic cooperation.

"I am glad that I am here, in this ancient and world-known city of Tashkent," Li Peng said. "The visit by President Islam Karimov of Uzbekistan to our country in 1992 opened a new page in the history of friendly relations between our countries" and gave a powerful impetus to their development and expansion, he continued.

The Chinese premier expressed the hope that "the documents to be signed during the visit will strengthen friendly ties and elevate our economic cooperation to a new height."

Karimov stressed that Li Peng's visit is taking place at a time when political, economic, trade and cultural ties between the two countries are growing ever stronger. He expressed the confidence that the visit will become a new step towards strengthening relations between Uzbekistan and China. "Friendly ties between our states date back to the time of the 'great silk route,'" he said.

Uzbekistan, China Agree To Restore Great Silk Way

LD1904100794 Moscow ITAR-TASS in English 0932 GMT 19 Apr 94

[Text] Tashkent April 19 ITAR-TASS—The expansion of bilateral trade and economic cooperation and the restoration of the ancient silk way linking China to the Central Asian countries was in the focus of talks between President Islam Karimov of Uzbekistan and Chinese Premier Li Peng here today. Chinese diplomats in the Uzbek capital told ITAR-TASS that the talks also deal with regional and international problems.

On Tuesday morning the Chinese premier laid flowers at the monument to great poet and thinker Alisher Navoy.

Both countries now have more ground for further deepening friendly relations, Islam Karimov said at the state dinner in honour of the Chinese leader on Monday. He called on the numerous entrepreneurs, who accompanied the Chinese premier to establish direct ties with enterprises in Uzbekistan. Islam Karimov pointed to "great successes of the great Chinese people" in

reforming their economy and said that "the people of Uzbekistan have a great interest in everything that is taking place in China".

According to Karimov, Li Peng's visit contributes to the beginning of a new era in relations between the two countries.

Li Peng recalled that the two countries are "close neighbours and countries with ancient civilisations" and said a new period of relations between them began after Uzbekistan proclaimed independence. China, he stressed, needs "a good international situation to accomplish its own modernisation. For this reason China pays great attention to the development of relations with the neighbouring countries.

The Chinese premier supported the proposal to restore the silk way as a means of developing trade, economic

and cultural ties between the two countries. "China intends to make efforts to achieve this end," he said.

China, a considerable part of whose territory, particularly the Xinjiang Uygur autonomous region, is populated by Muslims, is seriously concerned about the spread of Islamic fundamentalism in the Asian republics of the former USSR. Xinjiang has long been known as harbouring strong separatist tendencies under Islamic slogans.

Li Peng, whose foreign trip will also take him to Turkmenistan, Kyrgyzstan, Kazakhstan and Mongolia, is being accompanied on the tour by chairman of the State Committee for Nationalities Ismail Aimat, an ethnic Uygur, who stands for the country's Muslim population in the Chinese leadership.

The head of the Chinese Government arrived for a three-day official visit to the capital of Uzbekistan on Monday.

Armenia

Ter-Petrosyan, Aliyev Meeting Not Held

LD1804190694 Moscow INTERFAX in English 1652 GMT 18 Apr 94

[From the "Presidential Bulletin" feature No. 74 (564) compiled by Nikolay Zherebtsov, Andrey Petrovskiy and edited by Vladimir Shishlin]

[Text] The Armenian and Azeri presidents had failed to meet each other in Moscow because of continued differences over a peace settlement to the conflict in Nagorno Karabakh, Armenian Foreign Minister Vahan Papazyan said in Moscow on Monday. He also ruled out the possibility of such a meeting in any foreseeable future.

Papazyan said the scheduled four-party meeting of Russia, Armenia, Azerbaijan and Nagorno Karabakh whose Defence Minister Robert Kacharian was in Moscow during the CIS summit had been derailed because of Baku's rejection of the Moscow-proposed regional peace plan.

The meeting would have been held had Baku accepted the plan providing for the deployment of CIS peacekeepers in the region something that Yerevan and Stepanakert agree to, he said.

Papazyan said Russia had alone agreed to send its troops to the region because the United Nations was unable to do so at the moment. However, he said Russia would prefer to join a peacekeeping operation sponsored by the CIS or Eastern Europe instead.

"So will Azerbaijan, I am sure," he said.

On Azeri leader Heydar Aliyev's accusation of Armenia of launching aggression on Azerbaijan, Papazyan stressed that although "Armenia is a party to the conflict, it is not a warring side." IF Note: President Aliyev called on other CIS leaders to pass a political assessment of Armenia's aggression on his country, demand an end to hostilities against Azerbaijan and an immediate Armenian pullout from occupied lands. In a statement at the CIS summit, he demanded that Yerevan provide firm guarantees for a non-resumption of hostilities calling for sanctions against Armenia for its aggression on a fellow CIS state. Aliyev accused Yerevan of derailing any constructive proposals for regional peace by setting knowingly unacceptable conditions. Armenia, which set up a military beachhead inside Azerbaijan, now seeks to swap annexed lands for the enclave's independence or in other words, to partition Azerbaijan, Aliyev said.

For his part, Papazyan said that although Yerevan refrained from internationalizing the conflict, it would step immediately if Karabakh Armenians had to face the threat of deportation or genocide.

Azerbaijan

Foreign Minister Comments on CIS Meeting

NC1904102894 Baku Azerbaijan Radio Televiziyasi Television Network in Azeri 1600 GMT 18 Apr 94

[Excerpts] As already reported, the meeting of CIS heads of state has ended. This meeting was preceded by a joint meeting of the foreign ministers of the CIS Republics. Azerbaijani Foreign Minister Gasan Gasanov represented our state for the signing of important documents. Our reporter, Beshir Sherifov, interviewed Azerbaijani Foreign Minister Gasan Gasanov after the meeting.

[Begin recording] [Sherifov] You took part in the meeting of the foreign ministers of the CIS countries. What issues of interest to Azerbaijan were discussed at this meeting?

[Gasanov] I want to express my views primarily on two documents: One was on ethnic minorities, and the other on the sovereignty of the states. The document on ethnic minorities was put forward by other states. This was the third time that it was being discussed, and for the third time we objected to its adoption. The reason for our objection was that this document included provisions that had supremacy over Azerbaijani laws. In expressing our position, we said that we cannot sign any provisions found in this or any other document that are above Azerbaijani laws.

[Sherifov] That is, the Azerbaijani laws must be confirmed in all these documents.

[Gasanov] Of course. That is the only thing possible. Other states too were of the same opinion. Therefore, the work on this [Armenian] document is continuing, but it was not endorsed for the time being. Its sponsors had hoped that it was to have been endorsed today. We made the first move.

The second important document concerning us is this one that I am holding. [word indistinct] signed and brought it to me. Azerbaijan is the sponsor of this document. Because it is in Russian, I will read it in Russian; it could be translated later if need be. [passage omitted]

We are the sponsors of this document. This is the first time that such a document has been adopted, despite the fact that the CIS has been in existence for the last three years. No such document had ever been submitted here. When we first submitted it they initially received it coldly. But we held intensive consultations both during the joint talks and bilateral talks at presidential, ministerial, and lower levels. And finally, this document was endorsed with great difficulty because the Armenian foreign minister expressed strong opposition to it, but we firmly demanded the adoption of this document. I can state that 11 states supported us and this document was endorsed.

[Sherifov] What was its main thrust?

[Gasanov] The main focus was explained in its preface. All of the provisions needed by us were in there. Such as that no state can occupy the territory of another state, covet another's land, borders cannot be altered, the alteration of borders by war cannot be described in any other way than what it is, a political status cannot be demanded by war, and so on. Due to a lack of time, we cannot analyze it but we have established its nature. The Armenians said they will not sign it. They made a reservation noting that alongside this document another document should also be adopted recognizing self-determination for any people. They distributed the document. We have a copy, we read it. It was a document incompatible with international norms. Despite the fact that the Armenian foreign minister several times strongly urged its discussion during yesterday's meeting, it was never examined.

[Sherifov] Besides ours, what was the position of the other states?

[Gasanov] It was identical to ours. All the representatives of the 11 countries voted as one person for this [Azerbaijani] document. These 11 states did not give any importance to that [Armenian] document. There is a regulation at the CIS foreign ministerial meeting that if any proposal is submitted with which we were previously unfamiliar then a special working group is formed and is asked to study it and submit it to the next meeting. Not even a working group was formed on the Armenian document. They might submit it again the next time around. That is a problem for the future, but for now, it was not adopted. Meanwhile, we have endorsed and signed this [Azerbaijani] document, and we have submitted it to other CIS heads of state to enable them to study it the next few days. I am certain that the document will be signed. [end recording]

Fighting Rages in Nagorno-Karabakh

LD1804150694 Moscow INTERFAX in English
1318 GMT 18 Apr 94

[Text] The Azerbaijani Army on Monday [18 April] morning resumed attacks on Nagorno-Karabakh positions in the Mardakert, Martuni and Fizuli sectors of the front, a Nagorno-Karabakh military source said.

He told INTERFAX fighting was still in progress at noon.

On Sunday, intense fighting was going on on a large section of the front in Mardakert and Fizuli Districts.

The source said Nagorno-Karabakh forces had rebuffed all the strikes and had switched over to launching counterattacks in some areas, mainly in Mardakert District where it had destroyed some of the Azerbaijani firing positions.

The source denied Azerbaijani reports that hundreds of Nagorno-Karabakh troops had been killed. He said Azerbaijan's losses had been much heavier than Nagorno-Karabakh's.

Meanwhile, the Azerbaijani Defense Ministry said that, on Sunday afternoon, Armenian tank units positioned in northern Nagorno-Karabakh had made several attempts to advance towards the town of Terter, but were stopped by Azerbaijani forces, which destroyed six Armenian tanks and seized another two pieces of new armor.

Early on Monday morning, the Armenians once again tried to break through to Terter, simultaneously attacking villages close to the town, but were thrown back around 0800 after heavy fighting, losing three tanks, one armored personnel carrier and about 90 troops, the ministry said.

'Sabotage Group' of Afghan Mojahedin Eliminated

LD1804173594 Moscow INTERFAX in English
1613 GMT 18 Apr 94

[Text] An Azerbaijani sabotage group composed of Afghan Mojahedins was eliminated near the Karabakh regional center of Mardakert on 17 April, the Nagorno-Karabakh Defense Headquarters told INTERFAX.

The same sources said there had been about 20 Afghan Mojahedins killed in the hostilities. They had been identified by their particular ethnic clothing.

The losses of the Karabakh forces, which have opted for the self-defense tactics are less significant than that suffered by the Azerbaijani forces, Deputy Commander of the Nagorno-Karabakh Army, Murad Petrosyan, told INTERFAX.

Petrosyan said the Karabakh Army had lost several dozen men and the Azerbaijani party had lost about 600 men.

The Karabakh Army had also eliminated or seized fifteen items of armored equipment, including eight tanks and five armored carrier vehicles, two 122-millimeter heavy machine-guns and two howitzers.

Armenian Attacks in Northern Karabakh Said Repulsed

NC1804174394 Baku Azerbaijan Radio Televiziya
Television Network in Azeri 1600 GMT 18 Mar 94

["Defense Ministry Press Service report"—read by announcer]

[Text] Having reinforced its troops in northern Karabakh and with the support of a number of tanks, the Armenian Armed Forces launched attacks towards Terter on the afternoon of 17 April. Armenian units resumed their tank attack last night and in the early hours of 18 April; infantry troops also joined the fight. Bloody battles continued until 0800.

The enemy's attacks were repelled, and they were driven back to their initial positions. Five tanks and one infantry fighting vehicle were destroyed and nearly 90 Armenian troops were killed.

Georgia

Shevardnadze Discusses CIS Summit, Bosnia

LD1804090994 Tbilisi Radio Tbilisi Network in Georgian 0555 GMT 18 Apr 94

[Studio interview with Georgian State Council chairman Eduard Shevardnadze by correspondent Nato Oniani in Tbilisi—live]

[Excerpts] [Oniani] Batono Eduard, in the light of comparatively less encouraging information received from Geneva lately, do you think more real significance will be attached to a statement made by the CIS Security Council?

[Shevardnadze] Thank you. Good morning. You are right. I have already expressed my considerations about the statement made by the CIS summit. This is a statement which undoubtedly has good prospects and which may acquire paramount importance in the issue of settling the Abkhazian conflict. The thing is that we can renounce none of these possibilities.

The process of negotiations under UN auspices in Geneva is still in effect. This remains a major trend. And it is very significant that the specific participation of the CIS countries in the settlement of the Abkhazian conflict is becoming clearly visible.

There may be yet another way, the way many people often speak about and try to induce us to take, I mean the military way. But I would say that although we must be ready for this third way, we have to do our best to exhaust all peaceful options.

This problem cannot and will not remain unsolved. Abkhazia cannot and will not be lost. This will never happen. This cannot be allowed to happen. The main thing is not just returning it. The main thing is that it should happen on time, soon and in a period as short as possible.

Therefore, the variant which was outlined in Moscow, I mean the CIS variant can become more real if it leads to our objective more quickly. If the UN forces are deployed there mostly as neutral forces and the process drags, it was mentioned in Geneva that certain units could be gathered by August or a little earlier or a little after that, this variant will be unacceptable for us.

Therefore, I attach special importance to what has happened in Moscow. This is yet another chance to get the Abkhazian conflict settled promptly and the people returned to their homes so that they can start a normal life. We shall yield to those who give us more guarantees.

Now, I am not going to remind you of a known formula given in the Moscow statement. However, this might be necessary. First, we appeal to the United Nations to act promptly and take a decision which will guarantee refugees a secure and honorable return to their homes.

This will also create guarantees for the unity and integrity of Georgia and the protection of rights of Abkhaz within this state.

This in one side of the appeal and the other side of the statement is that if this cannot be achieved for whatever reason, the CIS council of collective security will take its own decision to deploy peace-keeping forces in Abkhazia. I think this is an important achievement.

Today, I am having a meeting with a delegation I am sending to Moscow. Mr. Sandro Kavsadze [Shevardnadze's personal envoy on conflict situations] will return to Moscow together with other members of the delegation to start seeking the best possible variants in Moscow so that the statement will not remain only on paper and the taking of a final decision will not be dragged out.

Meanwhile, the process in Geneva has not stopped. Today or tomorrow, talks will resume there. This time, the issue of Abkhazia's status will be in the foreground. Yet another group of experts left yesterday. Mr. Jaba Ioseliani is also there with other representatives. Let's see which way is the shortest, demanding no sacrifice and securing our territorial integrity.

[Oniani] Among the documents adopted at the CIS summit, you paid special attention to the declaration on the sovereignty, territorial integrity and noninterference in the internal affairs of the CIS member states. Do you believe that this is a real guarantee for our sovereignty?

[Shevardnadze] The CIS charter itself and other statutory documents of political nature and importance contain, in principle, the ideas and provisions outlined in the declaration, albeit in a scattered form, in separate clauses, different documents and so on. But at a time when many CIS countries are facing serious problems relating directly to their territorial integrity, when there are a few border disputes - not so many in our region as elsewhere, when there are movements in some countries calling for border revision and so on, when conflicts are going on the territories of a number of countries and the unity, integrity and inviolability of the borders of many countries are under direct threat, I believe that today, at the current stage, when we are heading for a crisis, the declaration has great importance.

To be honest, I left the news conference slightly disappointed because neither journalists nor other participants in the news conference paid proper attention to this document and ignored its highly important provisions. I repeat that the recognition of territorial integrity, sovereignty, equal rights, noninterference in internal affairs, and some other principles should become the CIS's cornerstone and foundation. At least, that is what the document says.

Apart from these interesting and highly significant provisions, there is also a clause which is of special importance to us and, in my opinion, not only to us. It says that separatism and separatist movements should not be used to violate the integrity of states. In fact, a common approach and position have emerged and they are shared

by all the CIS member states. This is very important today and in the future. [passage indistinct: Oniani's remark on definition of separatism]

[Shevardnadze] It can be said without exaggeration that it is Georgia's priority to look for formulas and definitions, and not only Georgia's. Everybody has finally understood how serious a threat—at least within the CIS—aggressive separatist movements are today. I would add on this subject that if the CIS remains committed to these principles, then it will acquire more and more (?qualities) of a true interstate organization and an international status.

What we have at the moment...[pauses] I repeat that if our relations within the CIS are built on these principles, it will become an international organization in which all the states of the former Soviet Union—and perhaps others too in the future—will cooperate freely and successfully with the aim of achieving their goals and receiving guarantees of their freedom and independence. If these principles are adhered to, the CIS may become one of the guarantors of a free and independent development of its members.

[Oniani] Thank you. Agreements of economic character were signed at the summit, for instance, about a free trade zone, or pertaining to an integral economic space and others. Later, you defined these documents as a favorable economic integration. To what extent do you think Russia feels the necessity of establishing economic relations based on equal rights and to what extent do you think economic integration will promote political integration?

[Shevardnadze] Economic integration is one of the major tendencies in the world today and among not only developed countries but also numerous developing countries that have overcome an economic and social crisis of which we have numerous examples in the east, south or west. This is a result of an involvement in the process of economic integration, which answers the standards of today's requirements.

Economic integration is a basis of any sort of modern union or alliance. Economic integration must become the basis of the process of the unity of the Black Sea basin countries we have already started. The CIS can become a major, one of the major guarantors of stability across the space of the former Soviet Union and it will become this if economic processes are managed correctly. If this fails, additional political difficulties and additional difficulties in social sphere will arise.

I think that unlike the previous years, we, all the states, have to take care of the CIS as of a formation which can act as a sort of guarantor of independent development. This is possible all right. Unless we take care of this, we may receive variants which will be hard and unacceptable for our life and development.

We could speak about former Yugoslavia as an example. We can all see an eventuality when a region does not care about its own guarantees. The present horrible tragedy is

a result of disregarding all that was useful and essential for the countries, even from the point of view of economic integration only. Therefore, I think that economic integration, care about a single space in science, culture, judicial and other spheres may become definite guarantees of economic, social and political stability for the CIS countries. But economic integration still remains the basis.

I will naturally be asked a question whether a manifestation of great-power tendencies can be expected along with the usefulness and beneficial features of integration. It is impossible to rule out this. But when we are together, when there exists a system of managing all processes like the council of heads of states, the council of heads of governments and many other securing instruments, I think a domination of negative tendencies is less likely. At least we are capable of preventing those today. At least, it is easier to do this when we all are together than separately, when we deal with bilateral relations. However, I would not like to diminish the significance of bilateral relations with it.

Once documents in the sphere of economy are signed, a lot will depend on an initiative abilities of the Cabinet of Ministers, individual ministries, associations, private business and generally ordinary citizens who also have possibilities and rights at the same time to establish relations with other countries, citizens of other countries in the economic sphere.

Thus, prospects are good and interesting. Now, the main thing is how much initiative and courage we shall be able to demonstrate in our activities at the present stage.

[Oniani] You mentioned the former Yugoslavia. In assessing last week's bombing by NATO planes of Serb positions near Gorazde, you said that it was the first serious attempt to counter the phenomenon of war with force. Do you think that NATO's involvement in the conflict in the former Yugoslavia was a success? Does it mean that NATO has begun taking up a peacekeeping role—something you were discussing a long time ago, at the beginning of the war in Abkhazia?

[Shevardnadze] As for the specific issue of Yugoslavia, I think that a great number of mistakes and sins have been committed there, starting from the first stage, when the disintegration of the state was beginning. My impression is that countries which could have played a role in preventing this drama and tragedy failed to agree among themselves. However, this is a thing of the past.

I would like to touch upon another issue, which is more fundamental and substantive. Today it is Yugoslavia, tomorrow it may be Georgia, Armenia, Azerbaijan or Tajikistan. Unfortunately, it is difficult to rule out that such conflicts can break out in other regions. Therefore, I think that endless debates and discussions as well as slowness, which is so typical of the UN—I called it an academic style in the past, now I am speaking about slowness—lead to most serious results in the end.

We are often prisoners of regulations created by ourselves and our predecessors. We keep failing to free ourselves from this captivity. I am profoundly convinced that, in the end, the UN with all its institutions and structures should take up the role of supreme judge in the world. By the way, this function is enshrined in its charter and in its structure. Everything is there in theory. Unless this happens, the UN itself will be in serious danger.

The interesting ideas of reforming the UN, as outlined in the secretary-general's report—and I welcomed these ideas—should result in concrete action, not in a large number of resolutions. You know how many wonderful resolutions on Abkhazia have been passed during the past year. And what do we have now?

[Oniani] Nothing in the end.

[Shevardnadze] How many wonderful resolutions were passed on Yugoslavia and other countries. There were five or six resolutions in connection with the Karabakh conflict. The shower of resolutions must end and practical actions should start, practical and courageous actions to solve conflicts. Otherwise, we will have to deal not only with conflicts, but also large-scale wars in the near future.

[Oniani] Having returned from Moscow, you said at the meeting of the Union of Georgia's Citizens: I want you to be tolerant toward other political organizations, it is necessary to begin a dialogue with political parties, to cooperate and unite around at least those five or six basic principles which by themselves can unite any force and so on and so forth. Now that we can say that we live virtually in the period of election campaign, do statements like this made by the chairman of the Union of Georgia's Citizens mean that it will not participate in elections separately but jointly with another political organization or other political organizations?

[Shevardnadze] When speaking at the meeting of the board of the Union of Citizens about the tolerance and principles that all Georgian citizens should live with, I meant the Union of Georgia's Citizens and the whole population of Georgia. I cannot help hailing our great academic and great philosopher Niko Chavchavadze, who put forward this issue so courageously at a parliament meeting recently.

The issue of Georgia's existence will very much depend on our ability to live a friendly and brotherly life with all the people actually living alongside us in Georgia. This was the main line when I spoke about tolerance and I want this feature to become an essential and integral part of each member who linked his fate with the Union of Georgia's Citizens.

I have also suggested that we cooperate with all forces whose thoughts meet state standards and who place the state interest above all. I mean all patriotic forces. I certainly do not rule out a joint platform in various

aspects of elections, be it parliament elections or elections of the head of state or president in future, in the elections of local authorities and so on.

I have observed that there certain gradual changes are taking place in the stances of many political parties. This has occurred in issues pertaining to relations with Russia, with the CIS. The aggressiveness so characteristic two or three months ago has diminished. Some even try to overtake us. We have long wanted to be friendly with Russia, they say. They do not renounce the CIS and so on. I can only welcome this. Because this is an evidence of our parties' becoming more tolerant. At least those, who did not share this stance in the past, have become more realistic in relation with life.

If this process keeps going I do not rule out that the Union of Georgia's Citizens will propose a joint platform with some other political forces in order that we all together build a democratic state of Georgia and solve the most difficult problems that have accumulated in social spheres and save the people, the country and the nation. I reiterate, I do not rule out our cooperation with any really patriotic force and every individual citizen.

[Oniani] In recent days, relative cleanness and order have been established in Tbilisi. It has become perceptible, at least. More public transport have appeared in the streets. Does it mean that this process of stabilization, as seen by these first signs, will go on or this will have a shape of a one-time campaign to which we are quite accustomed, unfortunately.

[Shevardnadze] We can now speak of first steps only. We have grounds neither for great joy nor for a bitter disappointment. We become convinced that a lot, if not everything, depends on us and we are to handle it.

Every morning, the moment I get into the car, I request a report on crimes committed in Georgia during the past 24 hours. It was only this morning that I heard that a mere seven criminal offenses were committed in the past 24 hours. There were no cases of homicide, no other grave crimes. Even in the past, when that huge machine was fighting crime, days like this were rare.

I do not mean that all is well now, that everything has been well arranged, but do we not see that there can be a positive result? [passage omitted]

Almost 80 enterprises have started running in recent days. Nothing has been produced and nothing has been done for the past two or three months. Some of these have been shown on television, but not all. We have to show the people this process. Work is beginning, production is beginning. Once we yield production, we shall have goods and small resources and reserves will be created for the country to exist. [passage omitted]

We often hear reprimands that the government is anti-reform, that there are no reforms, no program, no concept. To tell you the truth, I am tired of such talk. I beg everyone to read what has already been written, what is known, what is in effect. Take the plan of coming out

of the crisis approved by the Cabinet of Ministers and which I endorsed and which was drafted on the basis of my edict. There exists a plan like this. Stages for the implementation this plan in the countryside as well as in town, in industry and trade have been defined. We have the International Monetary Fund and the World Bank recommendations which have been arranged lately and have received their ultimate shape.

I would like to appeal to everyone to get familiarized with all this. Sheer words that reforms do not exist and the authorities are anti-reformist cannot do any good. This is not a way out. [passage omitted]

Shevardnadze Meets European Union Representatives

LD1804213294 Tbilisi Radio Tbilisi Network in Georgian 1950 GMT 18 Apr 94

[Text] The head of state's press secretariat has stated that Head of State Eduard Shevardnadze today met Mr. Bosham, an adviser from the European Union. The conversation centered on the complex situation of the Georgian economy and solutions to this problem.

The head of state mentioned that the situation in Georgia is so grave that a specific social solution has to be found. There are acute problems in power engineering and grain supplies; inflation is rising. Therefore, regulating solely the tax system will not resolve all the problems provided the rest of the issues are settled, to which end the efforts of the supreme authorities are directed [sentence as heard].

Mr. Boshman agreed with the head of state and said that it is time realistic actions are carried out in order to get out of the situation, all the more when east European countries have had an experience of it.

Commander Blames Abkhazia for Talks Deadlock

LD1804154594 Moscow INTERFAX in English 1318 GMT 18 Apr 94

[Text] The commander of Georgian Interior troops, Vladimir Chikovani, has accused Abkhazia of causing the impasse in the talks on the deployment of UN peacekeepers in the zone of the Georgian-Abkhazian conflict. The recent round of talks was held in Geneva.

In an interview with Interfax, Chikovani, who took part in the talks, said that the Abkhazian delegation occupied an "obstinate and unconstructive stand" and demanded the UN troops deployment along the confrontation line on the Inguri River. The Georgian troops, he said, are demanded by Abkhazia to be withdrawn eight kilometers away from the river.

Such demands, said Chikovani, run counter to common-sense and cannot guarantee the safety of refugees.

The Georgian side favors the deployment of peacekeepers along the entire territory of Abkhazia, including along the border with Russia which passes along the Psou River.

Abkhaz Deputies Oppose Russian-Georgian Treaty

PM1804113794 Moscow PRAVDA in Russian 16 Apr 94 p 1

[Report from the PRAVDA-ITAR-TASS column under the general heading "News in Brief"]

[Text] A routine session of the Abkhaz Supreme Soviet opened in Sukhumi yesterday. The deputies appealed to Russian President Boris Yeltsin and to members of the Russian State Duma not to ratify the Russo-Georgian treaty until relations between Abkhazia and Georgia have been completely settled.

Armenian Government Delegation Arrives

LD1804170994 Tbilisi Radio Tbilisi Network in Georgian 1500 GMT 18 Apr 94

[Text] CONTACT news agency has supplied us with information from the press service of the Georgian cabinet of ministers that an Armenian Government delegation arrived today on a working visit in Tbilisi. The delegation is led by Armenian State Minister Gagik Martirosyan. The delegation was met at the airport by Deputy Prime Minister Irakli Menagharishvili.

A meeting was held at the cabinet of ministers where the issues of securing the railways, oil and natural gas supplies, and the situation in trade and economy were discussed.

The Armenian delegation expressed its discontent over Saknavtobprodukti [Georgian oil products]. It was noted that in an immediate future, a north Caucasus-Transcaucasus gas pipeline would soon be put in operation, which would enhance gas supplies two-fold both to Georgia and Armenia. Martirosyan said that a group of the Armenian Government delegation had left for Batumi to monitor the transportation of cargo and humanitarian aid destined for Armenia.

The members of the Armenian Government delegation will continue work in the appropriate ministries and departments.

Government Forms Reconciliation Commissions

AU1904083694 Tbilisi SVOBODNAYA GRUZIYA in Russian 8 Apr 94 p 3

["Statute on Temporary Commissions for Questions of Reconciliation With Supporters of the Rule of the Ex-President Attached to Bodies of Local Administration in the Zone of Emergency Situations in Western Georgia"]

[Text] I. General Rules

Article 1. The statute defines the rules governing the formation and organization and also jurisdiction of temporary commissions for questions of reconciliation with supporters of the rule of the ex-president [Zviad Gamsakhurdia] attached to bodies of local administration in the zone of emergency situations in western Georgia (henceforth the "commission for questions of reconciliation").

Article 2. The principal task of the commission for questions of reconciliation is to expose organized groups and armed formations composed of supporters of the ex-president of Georgia and also persons acting in other forms against the Republic of Georgia authorities in the zone of emergency situations, assess their activities, and resolve the question of the expediency of reconciliation with them without the application of legal sanctions.

II. Rules for the Formation and Organization of Commissions for Questions of Reconciliation

Article 3. Commissions for questions of reconciliation are to be formed directly by regional and rayon bodies of local administration in the zone of emergency situations in western Georgia and attached to them.

With permission from the aforementioned administrative body, commissions for questions of reconciliation can also be formed and attached to individual administrative bodies in settlements and villages.

Article 4. The commission for questions of reconciliation is accountable to the corresponding regional and rayon administrative body.

The State Committee for Emergency Situations in Western Georgia is to give systematic help to the commission and coordinate work.

The former, for its part, is empowered to receive the appropriate information and materials from the commission in order to resolve questions that lie within its jurisdiction.

Article 5. The composition of the commission for questions of reconciliation is as follows:

commission chairman (head of the local board of administration or his deputy), commission secretary, and commission members.

The number of members is determined by the corresponding administrative body, taking into account the limits of its activities and the scope of the commission.

Article 6. High-ranking employees in the law enforcement bodies, members of the Georgian Parliament elected from the corresponding electoral district, deputies from local bodies of administration, and representatives of the public may be included in the composition of the commission.

Commission members are to be issued with an appropriate identity card.

Article 7. The commission for questions of reconciliation is headed by the commission chairman, who presides over its sessions.

The commission secretary draws up the minutes of the session.

All commission members enjoy equal voting rights.

The session of the commission is valid if two-thirds of the commission members are present;

A decree is viewed as being adopted if it receives the votes of the majority of commission members, given the equality of votes; the commission chairman has the casting vote.

Article 8. A session of the commission is convened when necessary but no less frequently than once a month.

III. Rights and Obligations of the Commission for Questions of Reconciliation

Article 9. The commission for questions of reconciliation has the following powers:

a) To coordinate the activities of the law enforcement, state, and public bodies in order to expose and seek reconciliation with those persons or groups of persons and armed formations that are in opposition to the Georgian authorities but that have not committed serious criminal offenses;

b) To explain to the population that the state will not take coercive measures against persons who have not committed serious criminal offenses;

c) To coordinate the activities of local law enforcement bodies within the limits of its jurisdiction in order to prevent those persons who have not committed serious offenses from being punished and make them surrender their weapons and ammunition and candidly confess what they have done.

d) When necessary, to receive information from local law enforcement bodies and from those persons with whom an act of reconciliation can be made;

e) To exercise control over measures to be carried out by law enforcement bodies and social security agencies, enterprises, organizations, and institutions dealing with medical treatment, job placement, and the resolution of social problems of persons who have become reconciled;

f) To submit recommendations to the authorized bodies concerning the heads of enterprises, organizations, and institutions who are hindering the implementation of decrees adopted by the commissions and the state policy on reconciliation;

g) To elaborate a program and methods of reconciliation with supporters of the ex-president and opponents of the [current] authorities;

h) To create all conditions for the return of citizens and groups of citizens who oppose the authorities to their places of residence and work. To guarantee that they will live in peace;

i) To exercise control over all bodies that are obliged to implement the decrees adopted by it;

j) To inform the population of the republic periodically through the press, television, and other mass media of the measures aimed at reconciliation with supporters of the ex-president and opponents of the authorities in Georgia.

IV. The Procedure Governing the Work of the Commission for Questions of Reconciliation

Article 10. The commission for questions of reconciliation carries out its activities on the basis of: individual and collective statements from citizens, petitions submitted from enterprises, organizations, and institutions, and also recommendations received from bodies of internal affairs, the Procurator's Office, the Court, and bodies of state security.

Article 11. The commission for questions of reconciliation will examine these materials within 10 days of receiving them.

Article 12. When necessary, the commission has the right to invite to the session representatives of state bodies and public organizations, enterprises, and institutions and organizations.

Article 13. If, in the process of examining the question, it is established that an act committed by a person (group of persons) bears the hallmarks of a crime, in such cases, the commission will hand over the materials to the investigative bodies.

Article 14. The commission for questions of reconciliation adopts decrees.

It is pointed out in the commission decree whether it is expedient to seek reconciliation with one person or another (group of persons) on the basis of corresponding reasons.

The decree is drawn up in two copies. One copy is given to the interested person and the other remains with the commission.

Article 15. The decree adopted by the commission and also its validity, which is connected with the examination of a case, can be appealed against in the Interim Committee for Emergency Situations in Western Georgia. The committee has the right to annul the commission decree.

Article 16. The commission for questions of reconciliation will be abolished once its functions have expired or in accordance with a decision from the body that formed it.

Commissions Approved

AU1904084294 Tbilisi SVOBODNAYA GRUZIYA in Russian 8 Apr 94 p 3

["Directive" issued by Givi Lominadze, Republic of Georgia state minister, chairman of the Interim Committee for Emergency Situations in Western Georgia]

[Text] 1. To approve the Statute on Temporary Commissions for Reconciliation With Supporters of the Ex-President Attached to Bodies of Local Administration for Emergency Situations in Western Georgia that has been submitted.

2. The statute comes into force on the day of its publication.

3. To entrust bodies of local administration with forming these commissions before 10 March and submitting information on the composition of the commission to the Temporary Committee for Emergency Situations. [Signed] G. Lominadze, Republic of Georgia state minister, chairman of the Interim Committee for Emergency Situations in western Georgia.

Deputy Minister on Tackling Social Crisis

AU1504112794 Tbilisi SVOBODNAYA GRUZIYA in Russian 5 Apr 94 p 3

[Interview with Mirian Murdzhikneli, first deputy minister of finances, by Spartak Nikolaishvili; place and date not given: "In Pursuit of Prices"]

[Text] Statistics inexorably show: Over 90 percent of the republic's population are living below the poverty line. As Head of State E. Shevardnadze has emphasized, a catastrophic disparity has arisen between standard of living, prices, and wages. A person here now receives on average less than 100,000 coupons [per month] while, in order to sustain at least a minimum standard of living, according to specialists, the standard wage should be 9.3 million coupons. How can we eliminate this extremely negative discrepancy and what can the state do in order to help people to survive in this extreme situation? We raised these questions with Mirian Murdzhikneli, first deputy minister of finances.

[Murdzhikneli] There can be no doubt that social policy should form the principal element in the government's activities; it is essential to implement at once measures aimed at increasing the population's standard of living. As is known, in January, there was a 100 percent increase in wages in all budgetary organizations and a 150 percent increase in pensions and benefits. Since 1 February, teachers' salaries have increased two to threefold.

[Nikolaishvili] Nevertheless, during this time, prices have rocketed so much that this increase has, to all intents and purposes, been nullified. Furthermore, the coupon is falling at a catastrophic rate before our very eyes.

[Murdzhikneli] Yes, given current hyperinflation, even a wage that has increased threefold does not constitute a

living wage. In order to alleviate somehow the destructive effect of inflation, it has been decided to increase the wages of workers in budgetary organizations on a monthly basis by 20 percent as of 1 March of this year. Of course, this will not bring about cardinal changes in the standard of living but, nevertheless....

[Nikolaishvili] For how long can wages be made to keep up this vain chase after prices? After all, it is patently clear that we will always be on the losing side....

[Murdzhikneli] Yes, until we get production going again and until there are sufficient goods on whose purchase at least 50-60 percent of the wage fund can be spent. After all, almost nothing is currently being produced; there is nothing in the shops; we are forcibly chained to the market where speculators reign supreme and jack up prices at their leisure. Notice that, as a rule, genuine peasants are being pushed off the territory of the market and very often forced to raise their prices. Furthermore, the market has haphazardly gone over to trading only in rubles and made the coupon literally worthless.

[Nikolaishvili] Yet, measures have been taken to strengthen the coupon....

[Murdzhikneli] They are still demanding in Parliament today that we propose some emergency measures in this respect. What can you propose in the circumstances? The republic should start working and producing goods. That's the first thing. Second, all economic ties should be restored with the former Union republics, first and foremost, with Russia. Up to now, we have been destroying everything with a stubbornness that could be put to better use and have imposed a self-blockade. However, it is clear today that we cannot survive without Russia.

[Nikolaishvili] A final question concerning the budget. Can one hope that the social measures you have outlined will find reliable support in the state's financial law?

[Murdzhikneli] Absolutely. Expenditure on the indexation of the population's losses that lead to inflation has already been included in the budget for the second quarter. True, there are certain complications with implementing the income part of the budget; the mechanism for levying taxes has not been properly developed. No one wants to pay on time while there are plenty of people who are keen to have more money.

Estonia

Dangers of Dismantling Paldiski Reactors Noted

LD1804224394 Tallinn Radio Tallinn Network in Estonian 1700 GMT 18 Apr 94

[Text] It is possible for the dismantling of Paldiski training reactors to start at the beginning of May. This has been reported by Juri Tikk, the government's special representative in Paldiski. The necessary equipment for dismantling the reactors and the containers for transporting nuclear fuel are in place and are located at the training complex on the Pakri peninsula.

In the words of Tikk, the Russian side demands social guarantees to those Russian officers who will participate in the dismantling work. The Russian side wants a single agreement for dismantling and evacuation to Russia of both the reactor nuclear fuel and the entire reactor complex. The Estonian side wants a separate agreement concerning the removal of the reactor nuclear fuel from Estonia and a separate agreement concerning the reactor complex being emptied of the reactor fuel, said Tikk.

The nuclear fuel can be taken away in a container either by railway or by sea. The entire reactor, the complex weighing (over) 100 tonnes, can be taken to Russia by railway or by sea, by using a floating crane and [words indistinct] special containers. But none of the projects have as yet been finally confirmed, stated Raul Luks.

The most dangerous stage during the dismantling of the two reactors located on the Pakri peninsula is, in the words of Raul Luks, the lifting of the reactor lids to remove the nuclear fuel.

At the nuclear facilities in Russia, in the words of Tikk, on three occasions when the lids of reactors have been opened. A radioactive steam cloud has escaped into the atmosphere. This has a radius of approximately 10 kms, stated Tikk.

Estonia does not intend to conceal anything during the dismantling of the reactors, explained Tikk. In his words, a radiation monitoring service operates in Estonia which relays information on the level of radioactivity.

Latvia

Ulmanis on Requirements for Russian Troop Withdrawal

LD1504194894 Moscow INTERFAX in English 1628 GMT 15 Apr 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zhrebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[Text] President Guntis Ulmanis speaking in Riga said the signing of a package deal with Moscow on Russian troop withdrawals was largely hinged on a solution to the problem of repatriation of retired servicemen of Russia and the former Soviet Union residing in Latvia.

To bring this about, the negotiating teams will have to amend the initialled agreement on social security nets for retired Russian servicemen with permanent residence in Latvia, Ulmanis said. Ulmanis also considers it necessary to create an international support fund by Latvia, Russia and western countries to help towards voluntary repatriation of Russian servicemen (The Latvian government on Thursday had approved Ulmanis' proposal to set up an appropriate working group-IF). Nothing short of this can help defuse tension over the issue of retired servicemen whose presence here is widely seen as being undesirable, Ulmanis said.

He thinks the fund can also help repatriate 180,000 non-Latvians who are willing to settle in Russia and other CIS states. The signing of the pullout agreement will be complicated unless the repatriation issue is resolved, Ulmanis said.

IF Note: The initialled agreement binds Latvia to ensure continued residence and non-discrimination of retired Russian servicemen in areas such social security and medical care. Official counts put the number of such pensioners at 22,000 with 3,500 of them granted Latvian citizenship.

Ulmanis reiterated that no agreement would be signed with Moscow until the Russian president recalled his decree of April 5 providing for the setting up of a Russian army base in Latvia. He considers it to be a tactical move to probe a possible reaction from Latvia and the West rather than a mistake as Russian officials try to present the decree.

Trade Cooperation Pact Initialed With Romanian Diplomat

WS1504110494 Tallinn BNS in English 0914 GMT 15 Apr 94

[Text] RIGA, Apr 14, BNS - Latvian Foreign Ministry's Iveta Sers and Romanian diplomat Dan Tiron initialed an agreement Thursday [14 April] on trade and economic relations between both countries.

The draft agreement provides for the most favored nation status in mutual trade, the Latvian Foreign Ministry said.

The trade agreement should be ratified and enter into force until summer.

Latvia has already signed similar agreements with the United States, Australia, Austria, Belgium, the Czech Republic, Denmark, France, Greece, Italy, India, Iceland, Ireland, Great Britain, Luxembourg, the Netherlands, Portugal, Poland, Spain, Hungary and Germany, as well as with several CIS countries.

Full CE Membership 'Unlikely' Before Oct

WS1504105894 Tallinn BNS in English 0914 GMT 15 Apr 94

[Text] STRASBOURG, Apr 15, BNS - It is unlikely that Latvia would become full member in the Council of

Europe [CE] before October, since the country has yet to adopt its citizenship law, the president of the CE Parliamentary Assembly, Miguel Angel Martinez, said at a meeting with the Estonian delegation for the assembly session Thursday [14 April].

Martinez said he saw no other factor that might have a negative effect on Latvia's acceptance into the European body. He underscored that the "common European family" was missing Latvia.

The president of the Parliamentary Assembly pointed out in positive aspect the work of Estonia's representatives in the assembly. He said quick rise of Estonian parliament Deputy Speaker Tunne Kelam to one of the leading figures in the assembly was another great contribution to the country's good standing.

Martinez is expected to visit Estonia in May or June for meetings with the country's leaders and representatives of different factions in the parliament. He is also to meet then Uno Lohmus, who was elected member to the European Human Rights Committee at the assembly session Thursday.

Tunne Kelam, the leader of the Estonian delegation, at the meeting delivered to Martinez Estonia's propositions concerning the agenda of the visit.

Government Amendments to Immigration Laws Reported

MK1604132094 Moscow NEZAVISIMAYA GAZETA in Russian 16 Apr 94 p 3

[Unattributed report]

[Text] An extraordinary session of the government has passed amendments to the law on foreigners and stateless persons entering and staying in Latvia, and related to this law addenda to the law on police which envisions the creation of emigration police within the framework of the state police. Inese Birzniele, the Saeima human rights commission chairperson, explained that the amendments passed in accordance with the rules provided for by Article 81... apply to persons who arrived in Latvia illegally, and have been passed with an eye to improving the procedure for their expulsion from the country. The amendments to the law were fully agreed on with the CSCE mission but their final version have not been passed in Latvia, for which reason it has been impossible today to find out exactly what the expulsion procedure is and how one can appeal against it. Still, according to Birzniele, mass deportations are out of the question because the amendments also contain a reservation that they are not applicable to persons whose legal status in Latvia has not been determined and in whose regard legislation has so far not been brought into line.

Sweden To Send Financial Aid To Develop Baltic Defenses

LD1804172694 Riga Radio Riga Network in Latvian 0900 GMT 18 Apr 94

[Text] The Swedish Government has decided to grant 1.4 million Swedish krona to create defense systems in the Baltic states. These funds will be used for consultations and training, and the acquisition of equipment and radars for both land and sea border protection.

Experts from the Swedish defense forces have already become acquainted with the Baltic states' defense systems and have worked out proposals on how to improve them.

Frontier Guard Brigade Gets New Commander

WS1504185394 Tallinn BNS in English 1502 GMT 15 Apr 94

[Text] Riga, Apr 15, BNS—Latvian Defense Minister Valdis Pavlovskis appointed Captain Janis Adamsons as commander of the country's Frontier Guard Brigade, the Defense Ministry reports.

Adamsons has been deputy commander of Latvia's Naval Forces since June 15, 1992.

Adamsons was born in 1956 at Livani, graduated from Kiev (Ukraine) naval school in 1979, served in various units of the Soviet Naval Border Guards.

As reported, the former commander of border guards, Ivars Redisons, resigned in the end of March. His duties were performed by acting commander, former deputy commander Viktors Sviklis, until the appointment of Adamsons.

Lithuania

Nationalists, Landowners Deem Land Laws 'Unjust'

WS1904102094 Vilnius TIESA in Lithuanian 12 Apr 94 No. 70 p 4

[Report by Sigute Armonaite: "There May Be No Moratorium"]

[Excerpts] Yesterday, the Nationalists' Union held a press conference in the Seimas [parliament] building. Journalists were addressed by Seimas deputy Leonas Milcius and Landowners' Union Chairman Aloyzas Liaugaudas. [passage omitted]

L. Milcius reminded everyone that the Nationalists' faction in the Seimas supported the Social Democrats' proposal to express no-confidence in the government headed by A. Slezevicius. In his opinion, the government will probably not be removed, because this initiative might lack votes in the legislature. However, the discussion on economic issues in the country might be useful both to the government and the Seimas.

A. Liaugaudas commented on land laws adopted by the Seimas and claimed that most of them were unjust, because the suspension of land restoration to real owners was becoming the second act of land nationalization. He commented on the statement by the Nationalists, farmers, and landowners on the moratorium on private land plots [reference to two to three hectare plots that are being privatized], which was read in the Seimas last Thursday [7 April].

According to L. Milcius, he was surprised by the reaction of the Lithuanian Democratic Labor Party faction to this

statement. Some members of the majority faction said that such a text was insulting to them.

The essence of the moratorium is a protest against the government's decision to allow the sale of the land of "green areas" to its current users. This land should primarily be returned to its true owners.

Both speakers expressed their delight in President A. Brazauskas' decision to return the land law to the Seimas for upgrading and correcting its most controversial clause—Article 21. If the legislature reviews this law and makes some amendments, the moratorium declared by the three unions may lose its importance.